INTERNET FORM NLRB-501

# UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER

DO NOT WRITE IN THIS SPACE		
	Case	Date Filed
	18-CA-287845	12/15/2021

#### INSTRUCTIONS

ile an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.  1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT		
	SAINST WITOM CHARGE IS BROOGHT	b. Tel. No.
a. Name of Employer		(262) 636-6212
CNH Industrial		- O-IIN-
		c. Cell No.
		f. Face No.
d Address (Otrest site state and 710 ands)	e. Employer Representative	f. Fax No.
d. Address (Street, city, state, and ZIP code)	e. Employer Representative	a o Moil
2701 Oakes Rd.	Susan Prey-Fobes	g. e-Mail
	HR Manager	Susan.PreyFobes@cnhind.com
WI Sturtevant 53177	Tilt Wallagei	h. Number of workers employed
		700
i. Type of Establishment (factory, mine, wholesaler, etc.)	j. Identify principal product or service	
Constr. & Agric. Machinery	tractor production	
k. The above-named employer has engaged in and is engaging	in unfair labor practices within the meaning of secti	ion 8(a), subsections (1) and (list
subsections) 1	of the National Labo	r Relations Act, and these unfair labor
practices are practices affecting commerce within the meanin		,
within the meaning of the Act and the Postal Reorganization A		all practices affecting confinence
2. Basis of the Charge (set forth a clear and concise statement of	of the facts constituting the alleged unfair labor pra	ctices)
See additional page		
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2. Full name of party filing charge /if labor arganization, give full		
	nama including local name and number)	
(b) (6), (b) (7)(C)	name, including local name and number)	
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WILLFUL FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)
PRIVACY ACT STATEMENT

Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing unfair labor practice and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary; however, failure to supply the information will cause the NLRB to decline to invoke its processes.

# **Basis of the Charge**

# 8(a)(1)

Within the previous six-months, the Employer has interfered with, restrained, and coerced its employees in the exercise of rights protected by Section 7 of the Act by denying an employee's request for union representation during an disciplinary investigation.

Approximate date representation was denied	
<sup>ଞାଇ ଡାମ</sup> /2021	
<sup>ଭାର ଓଟ</sup> /2021	
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Writer's Direct Contact:

LARRY G. HALL
312-960-6104
Ihall@fordharrison.com

January 28, 2022

### VIA ELECTRONIC FILING

Ms. Renee M. Medved Field Attorney National Labor Relations Board Subregion 30 Region 18 310 West Wisconsin Avenue, Suite 450W Milwaukee, Wisconsin 53202-2246

Re: CNH Industrial LLC

(Case No. 18-CA-287845)

Dear Ms. Medved:

This letter will serve as the initial response of the Company to the above-referenced unfair labor practice charge filed by (b) (6), (b) (7)(C) a former employee of the Company. In ULP charge, alleges that the Company violated the Act by allegedly denying Union representation during multiple meetings which are alleged to have been investigatory in nature. These meetings allegedly occurred on the following dates and allegedly involved certain management representatives:

*(b) (6), (b) (7)(C)	, 2021 (with (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) machine shop (b) (6), (b) (7)(C)	
*(b) (6), (b) (7)(C)	, 2021 (with (b) (6), (b) (7)(C)	
*(b) (6), (b) (7)(C	2021 (with (b) (6), (b) (7)(C)	
*(b) (6), (b) (7)(C)	, 2021 (with (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) (b) (6), (b) (7)(C)	)

\*The meetings refers to were not, in fact, investigatory interviews and were simply informational as the decision on the substance of the meeting had been made before the meeting occurred; or,

In our telephone conversation on Tuesday, January 25, 2022, and after reviewing your notes and the affidavit, you clarified the (b) (6), (b) (7)(C) date, explaining that the questioned on (b) (6), (b) (7)(C) but that, on (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) allegedly told questions about the (b) (6), (b) (7)(C) incident.

\*On one of the dates identified by a Union representative was present in the meeting;

or,

did not make any request for Union representation.

Furthermore, while ULP charge does not identify a requested remedy, based on the facts, Section 10 (c) of the Act and extant NLRB and court decisions, assuming arguendo that could show that the Company denied him Union representation in an investigatory interview that could lead to discipline, is not entitled to reinstatement or any make whole relief.

### BACKGROUND FACTS

CNH is a global business engaged in the design, manufacture, distribution, sales and financing of agricultural and construction equipment. The agricultural equipment includes harvesting combines, tractors, cultivators, sprayers, planters and fertilizer spreaders. Construction equipment includes backhoes, bulldozers, large bucket loaders and smaller skidsteer loaders. CNH operates 10 manufacturing plants in North America. One of these facilities is located in Racine, Wisconsin.

The Racine plant currently produces Magnum agricultural tractors and assembles transmissions, drivetrains and hydraulic systems for agricultural and construction equipment produced at other CNH plants. Racine also produces valves, gears, axles and large gray iron components for use in Racine and other CNH plants.

The Racine plant currently employs approximately 636 hourly employees and approximately 70 salaried employees for a total workforce of over 700 employees. The hourly employees are represented by the UAW and its Local Union No. 180. These employees are covered by both a Central Agreement and a Local Agreement between the Company and the Union. Pursuant to Article IX, Section 2 of the Central Agreement, new employees must first satisfy a 120 calendar day probationary period before gaining seniority. This language reads as follows:

"A newly hired or rehired employee shall be considered an employee on probation for a period of one hundred and twenty (120) calendar days, which must be completed within twelve (12) months. This period is intended to give the Company an opportunity to evaluate the new employee's suitability and his work performance, and his termination for reasons related to suitability and work performance is entirely within the discretion of the Company. An employee retained beyond the probationary period shall acquire seniority in the department in which he completed his probationary period, and his seniority will date back to his hiring date."

The Union has represented hourly employees at the Racine plant for over 70 years. During that time, the parties have had a productive relationship negotiating many collective bargaining agreements.

The Racine plant, as well as many of the Company's other sites, has been through multiple corporate acquisitions and has been subject to multiple different owners. The Racine operations

were first owned and operated by the original J. I. Case Company. J. I. Case was purchased by Tenneco, Inc. in the mid-1970s. In 1995, Tenneco disposed of Case in a corporate "spinoff", resulting in the creation of Case Corporation, which included the Racine operations. In 1999, Case Corporation was purchased by Fiat. Fiat then combined Case with New Holland, one of Fiat's subsidiaries, to create CNH.

Through each of these corporate transactions, the new owner hired the employees, recognized the Union and assumed the existing contract. Under Fiat ownership, the Racine operations were dramatically downsized. This downsizing resulted in the shutdown of the master parts depot, closing the foundry and finally, closing the tractor plant and transferring tractor assembly operations into the transmission plant. The current Racine plant is the facility formerly known as the Racine transmission plant.

The Union represents hourly employees at the Racine plant, as well as hourly employees at the Burlington, Iowa manufacturing plant. The Union has also represented hourly employees at manufacturing plants which have been shut down and closed over the past 35 years. Because the UAW represented employees at multiple locations, the parties have engaged in multi-location bargaining since the mid-1960s and have negotiated "master" agreements covering all of the represented plants for almost 60 years.

The parties' master agreement consists of two documents. One is the Central Agreement, which includes wages, benefits and language common and applicable to all of the covered facilities. The other piece is the Local Agreement, which includes language applicable only to that facility. This language generally covers day-to-day operational issues such as the procedures for layoffs, recalls, job bidding and promotions, work assignments, overtime administration, shift schedules, and Union representation.

The Central Agreement applies to the Racine and Burlington manufacturing plants. Each facility would also have its own Local Agreement. The Central Agreement and the Racine Local Agreement are attached as Exhibit 1.

### A. The Central and Local Agreements

As noted above, the parties negotiate both a Central Agreement — that covers all facilities — and Local Agreements — that apply only to a specific location. The Central Agreement contains a Recognition clause and, like most if not all contractual recognition clauses, states that the Company recognizes the Union as the:

"...exclusive bargaining representative for the purpose of collective bargaining ...for the production and maintenance employees in the appropriate bargaining units described in the Local Supplemental Agreements..."

The Racine Local Agreement describes the Racine bargaining unit as follows:

"Racine County production and maintenance employees covered by this local agreement..."

Thus, both the Central and Local Agreements contractually limit the Union's recognition and representative status to "employees".

The Central Agreement also contains a FUNCTIONS OF MANAGEMENT clause, in which the Union waives its right to bargain over certain topics. This clause, which is set forth in Article IV, states as follows:

"It is agreed that the Company retains the sole right to manage the affairs of the business and to direct the working forces of the Company. Such functions of management include (but are not limited to) the right to:

(4) Direct generally the work of the employees including the right to hire, discharge, suspend or otherwise discipline employees for good cause..."

As noted above, Article IX, Section 2 of the Central Agreement restricts the above, negating the "good cause" standard for probationary employees, stating that the Company has the sole discretion to terminate a probationary employee for reasons related to his suitability and work performance.

Thus, the Union has contractually acknowledged and agreed that the Company has the unilateral right to exercise its discretion to terminate a probationary employee for reasons related to that employee's suitability or work performance The Union has absolutely no role in that process or in those decisions. Accordingly, the Union does not get involved, and does not participate, in probationary employee performance evaluations. Nor does the Company typically have a Union representative present during discipline meetings or termination meetings for probationary employees.

### B. Racine Plant Production Levels

For a variety of reasons, the global market for agricultural equipment, including tractors and combines, and for construction equipment/machinery increased significantly in late 2020. This spike in demand for both agricultural and construction equipment greatly impacted the Racine plant. While this was true at all of the Company's manufacturing plants, the increased demand hit Racine hard as Racine produces both tractors and components for other plants that make both agricultural and construction equipment/machinery.

The demand for Racine produced tractors and components for the other CNH plants was so great that Racine could not satisfy the demand with its existing workforce.

# C. Racine Plant Staffing Problems

The increased production demands, particularly for machinists, required additional employees as the Racine plant did not have the employees to fill all of the vacant positions. As was true at other CNH plants (as well as many other employers in the U.S.), the Racine plant was unable to recruit and hire the necessary complement of employees to satisfy the staffing requirements. In April 2021, the Racine plant's active hourly workforce was 469. Based on production demands, the Company wanted to increase Racine's hourly workforce to in excess of 600 employees and increase the number of machinists by nine, from 83 to 92.

## D. Racine Plant Staffing Initiatives

In an effort to meet the staffing demands, the Racine plant implemented a number of new initiatives to recruit and attract qualified new hires. These initiatives included:

- \*Purchased Radio ad packages with Milwaukee area radio station (102.9 the Hog).
- \*Purchased Banner ads on side of Racine area Buses
- \*Virtual career fair held Thursday, March 25, 2021
- \*On-site career fair held on Saturday, May 15, 2021
- \*A planned February 2022 7.5% wage increase was pulled forward to June 2021 in order retain current employees and attract new hires with more competitive wages.
- \*Added dedicated contract salaried recruiter to support high volume of interviews
- \*Partnered with Ellsworth Correctional facility to hire CNC machinists from training program designed to promote successful future release and assimilation/entry to the community.
- \*Worked with local technical college, Gateway Tech, on internal CNC machinist development program to develop internal pipeline of skilled hires.
- \*Participated in Racine Economic Development program promoting job opportunities in Racine County.

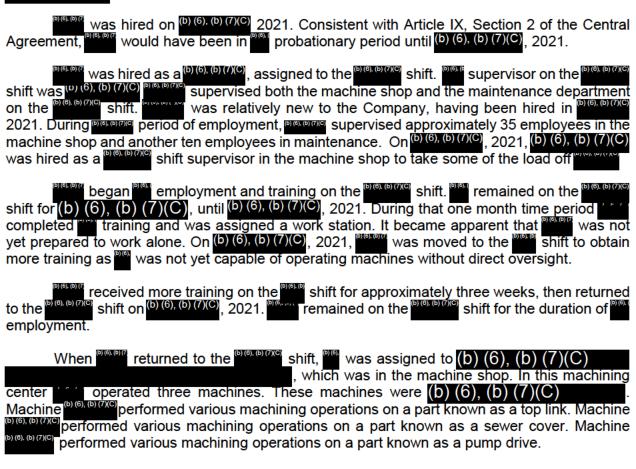
In addition to the above initiatives which the Company unilaterally implemented, the Company also entered into a Letter of Understanding ("LOU") with the Local Union at the Racine plant for a Referral Sign-On Bonus program. The parties agreed to this LOU in April 2021.

Pursuant to the Referral Sign-On Bonus program, an existing hourly employee could receive a bonus payment of \$500.00 if the employee referred a qualified applicant that was hired by the Racine plant and who remained employed for 180 calendar days. There were other eligibility requirements for a payment to be made.

In addition to these extraordinary steps and efforts to hire employees, particularly machinists, the Company also "relaxed" its hiring standards and became more "flexible" and lenient after an employee was hired. This flexibility and leniency was on full display during short term of employment. As a result of these efforts, the Racine plant now employs approximately 636 hourly employees. Despite this dramatic increase in its staffing level, the Racine plant continues to recruit new hires.

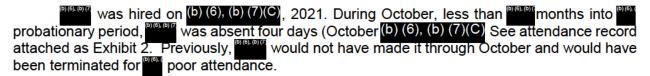
### **FACTS**

# (b) (6), (b) (7)(C)



As described above, due to the extreme difficulty the Racine plant was experiencing in hiring employees, and particularly machinists, the Company became more flexible and lenient with probationary employees because it was so desperate to attract and retain employees to meet the production demands. employees employment record provide a prime example of how flexible and lenient the Company had become.

During a new hire's probationary period one of the factors the Company focuses on is attendance. As is true with most employers, it is assumed that during the probationary period the new hire will be on his/her best behavior, trying to impress the supervisor and fellow employees. The thought is that if a new hire has any attendance issues during the probationary period that behavior will continue or get worse, once the new hire becomes a regular employee with seniority.



When with the work on October 28, got into an argument with the operator on work station at shift change. The argument, witnessed by multiple employees, was heated with a lot of yelling. was suspended for a few days. This incident would have resulted in termination prior to the "relaxed" and more lenient standards.

On November 8, 2021, process included the Probationary Employee Performance Evaluation. This process included the Probationary Employee Performance Evaluation form, which had filled out in advance. This meeting lasted less than a minute, as process the form, had prove sign it and told if had any questions to come see did not speak to did not speak to evaluation or come back to evaluation. See Probationary Employee Performance Evaluation attached as Exhibit 3. As noted on the Evaluation form, represent the form also received a rating of "Needs Improvement" for "Cooperation/Teamwork" because of the October 28 argument with the present shift operator.

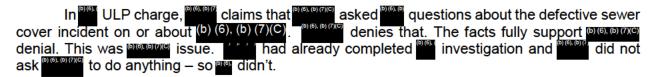
As noted above, poor attendance and the argument with the would have resulted in termination prior to the relaxed and more lenient standards.

# (b) (6), (b) (7)(C), 2021

On (b) (6), (b) (7)(C), (b) (7)(C), the shift machine shop (b) (6), (b) (7)(C), was informed by the assembly department that sewer covers had been machined with oversize bore holes, could not be used and would have to be scrapped because the bore holes were too big. conducted an investigation to determine which operator was responsible for this. On machine machined parts have an identifier that tells who machined those parts. On would have blue initials, shift parts would have white initials and shift operator, (b) (6), (b) (7)(C), because (b) (6), (b) (7)(C) and been out of work on (b) (6), (b) (7)(C) since (b) (6), (b) (7)(C), because that the defective sewer covers and saw that they had white initials or were blank. That informed that the defective sewer covers were machined by shift operator.

When seriod arrived at work on (b) (6), (b) (7)(C) for the seriod shift, shift, shift told state that there were a bunch of sewer covers with oversize bore holes that had to be scrapped. explained that, based on investigation and the markings on the defective parts, was certain that and (b) (6), (b) (7)(C), the shift operator, had machined those sewer covers.

Later that day, walked over to work station. Later that day, walked over to work station. Later that day, walked over to work station. Later that walked over to walked over to work station. Later that was walked over to walked over to walked over to walked over the bore holes were oversized and better make sure that was uses the gages to insure that was using the correct tooling and not making scrap. Would. At that time, was using the correct tooling and not making scrap. Was suspected of having created the scrap sewer covers. Nor did was any questions about the incident. What had no reason to ask was used to any questions. There was nothing more to accomplish. Was used to who created the investigation. The identifiers on the defective parts proved that it was and who created the scrap. Since there was nothing left to find out, there was no reason for who created the scrap or otherwise get involved.



A few days later, when arrived at work, found on desk a completed Notice of Documented Coaching. The form had been completed by shift machine shop supervisor. Based on investigation, had determined that shift operator, had worked on those sewer cover parts and were responsible for creating this scrap. 2 concluded that the two operator's failure to perform the necessary gaging to insure that the boreholes were the correct size warranted a Documented Coaching.

The Notice of Documented Coaching for the date and time of the incident as (b) (6). (b) (7)(C) at 9:00 a.m. because that is the time of that day that was informed of the defective parts by assembly.<sup>3</sup> also prepared a Notice of Documented Coaching for Brian Smith and gave it to the Notice Of Documented Coaching for (b) (6), (b) (7)(C) is attached as Exhibit 5.

did not know that was still in probationary period. Because was relatively new, did not push back on the direction given by to give did not push back on the direction given by to give did not push back on the direction given by to give did not push back on the direction given by to give did not push back on the direction given by to give did not push back on the direction given by the did not push back on the d

Unfortunately, despite having given did not actually meet with about this incident to give the Documented Coaching until (b) (6), (b) (7)(C) about this incident to give the Documented Coaching until (b) (6), (b) (7)(C) 2021.4

On (b) (6), (b) (7)(c) gave out two disciplines. One of these was a verbal warning to (b) (6), (b) (7)(c) for attendance violations. The other discipline was the Notice Of Documented Coaching prepared by back in (b) (6), (b) (7)(c) As described above, this Documented Coaching was given to (for creating the defective sewer covers that had to be scrapped.

met with Davis and separately. Since was issuing discipline to each of them, arranged to have the (b) (6), (b) (7)(C) , present for both meetings.  $^{5}$ 

When met with and (b) (6), (b) (7)(C), simply read to and (b) (6), (b) (7)(C) the typed description that was in the "Details of Incident" box on the Documented Coaching form.

<sup>&</sup>lt;sup>2</sup> The shift operator, (b) (6), (b) (7)(C), was not implicated in this incident as was on (b) (6), (b) (7)(C) and was not at work when the scrap was created.

<sup>&</sup>lt;sup>3</sup> This part, which is referred to as a sewer cover because that's what it looks like, is made of cast steel and is approximately one inch thick and approximately thirty inches in diameter. Each one weighs in excess of fifty pounds.

<sup>4</sup> While not as delayed, the shift supervisor did not meet with Cocumented Coaching until (b) (6), (b) (7)(C), 2021.

<sup>&</sup>lt;sup>5</sup> As noted above, the general practice is for the Company to not have a Union representative present for the discipline of a probationary employee. Since was giving a discipline to was a regular, full-time employee, had had also present when gave the Documented Coaching to

the scrapped sewer covers. Nor did ask any questions. signed and dated the form. and both signed the Notice of Documented Coaching and that was the end of the meeting.

# (b) (6), (b) (7)(C), 2021

As noted earlier, on (b) (6), (b) (7)(C) 2021, the Company hired (b) (6), (b) (7)(C) as a shift supervisor in the machine shop to assist (b) (6), (b) (7)(C) as a

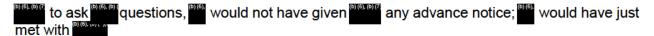
On (b) (6), (b) (7)(C) 2021, shortly after 6:00 p.m., went to had made a mistake, causing machine (b) (b) (b) (7)(C) to shut down. had loaded a sewer cover on the automatic pallet changer with the hoist. Then heard a loud sound coming from machine determined that there was no problem with machine was no problem with machine saw that the red alarm light for machine saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that the red alarm light for machine was on. When saw that saw t

When saw this, saw this, saked saked become to write up a statement of what occurred. So immediately and gave it to so immediately and statement is dated (b) (6), (b) (7)(c) 2021 with a time of 1830 hours (or 6:30 p.m.). So immediately and written statement is attached as Exhibit 6. It is clear from statement in an admittent that the incident was entirely statement is attached as Exhibit 6. It is clear from accepts "full responsibility" and admits statement is attached as Exhibit 6. It is clear from accepts "full responsibility" and admits statement is attached as Exhibit 6. It is clear from accepts "full responsibility" and admits statement is attached as Exhibit 6. It is clear from accepts "full responsibility" and admits statement was entirely set goes on to say that statement is attached as Exhibit 6. It is clear from accepts "full responsibility" and admits statement was entirely set goes on to say that set goes

Shortly thereafter, found found found found found what had occurred and gave copy of found handwritten statement. Since instructed maintenance to address the situation. The automatic pallet changer ("APC") is a large component in machine for four found and transport it to the maintenance department. Once the APC was in the maintenance department, where they had the proper equipment, they had to straighten the door mechanism, and reassemble the APC. Then, the APC had to be moved back to machine and assembled back into the machine. Machine for found for found for multiple days. Once machine for found for found for multiple days. Once machine for found for found for multiple days. This was a major problem.

alleges that on (b) (6), (b) (7)(C), 2021, [10] told [10] that [10] would be asking questions about the (b) (6), (b) (7)(C) incident that damaged machine lost production. Once again, [10], [10] "memory" is not correct.

(b) (6), (b) (7)(C) is the day that gave gave gave the Documented Coaching for the denies that good to good to good to good the defective sewer covers that had to be scrapped. Good to good the denies that good to good to good to good to good to good the date, that good to good



In any event, preserved had preserved handwritten statement describing the (b) (6), (b) (7)(C) incident in which accepted full responsibility for the incident causing damage to the machine and the lost production. From a disciplinary investigation perspective, nothing else had to be done. There was no other information to be obtained on whether or not should be disciplined. had admitted, in own writing, that did it. There was no excusing position, this incident should result in preserved termination.

Accordingly, on (b) (6), (b) (7)(C) sent an email to (b) (6), (b) (7)(C), and to (b) (6), (b) (7)(C) the (b) (6), (b) (7)(C), who reported to. In this email production, as well as the October 28 argument with the third shift operator and the November incident when failure to gage parts resulted in the scrapping of the sewer covers. Based on these incidents, recommended that be terminated. This email exchange is attached as Exhibit 7.

Separate from the discipline process, the Company also follows a standard manufacturing practice in an attempt to determine how and why an accident occurred. The Company utilizes this procedure to determine whether it should change the manufacturing process or take other steps to avoid a repeat of this type of accident. The Company refers to this as the HERCA analysis. The Company uses a two page form to conduct this analysis. The form is titled TWTTP + HERCA.

# TWTTP = The Way to Teach People

### **HERCA = Human Error Root Cause Analysis**

knew the Company procedure and knew was required to do the HERCA. also had the benefit of having handwritten statement which provided the incident. So, filled out the TWTTP/HERCA form based on what did this on (b) (6), (b) (7)(C).

met with showed showed had no comments or changes. Then signed and dated the form and asked to sign it as well.

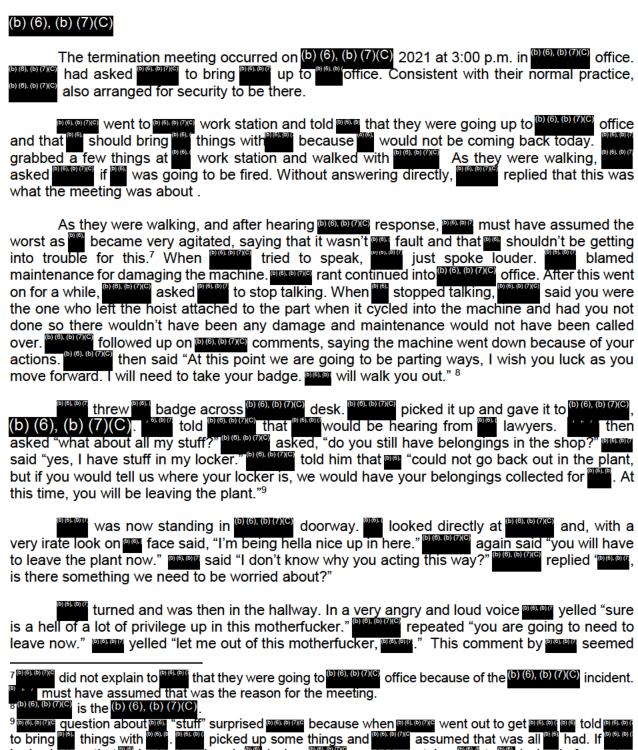
In ULP charge, claims that in this meeting, denies this. denies this. denies this denies this denies that if denied had asked for Union representation would have explained that this is very straightforward and is not disciplinary in nature but, that if

apparently claims that this meeting occurred on (b) (6), (b) (7)(C). That is not correct. The HERCA form is signed and dated (b) (6), (b) (7)(C).

had said then that had belongings in locker,

to (b) (6), (b) (7)(C) office.

wanted a Union representative to go get one. states that because never asked for Union representation in this meeting, there was no such discussion or explanation.



would have taken

to

locker before going

directed at (b) (6), (b) (7)(C), the (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) than became concerned for (and asked to accompany them out.

The three of them walked out to the turnstiles. As they were walking, place is and again something about "privilege". The three walking and again something about "privilege". The walked through the turnstiles and out to the parking lot.

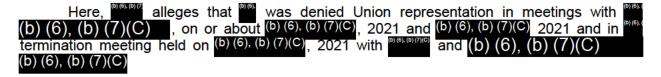
At no time before or during this meeting did was for Union representation. Even if was not entitled to have a Union representative present during this meeting as it was not an investigatory interview that could lead to discipline. The decision to terminate had been made in advance of this meeting. There were no "investigative" questions asked by The (b) (6), (b) (7)(C) meeting was "informational" only as the Company was simply going to tell that was terminated.

During term of employment, no grievance was ever filed alleging that the Company was denying Union representation. Nor did any Union representative ever talk to any Company representative claiming or complaining that the Company was denying right to Union representation.

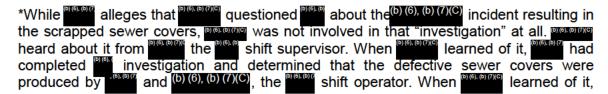
### **LEGAL ANALYSIS**

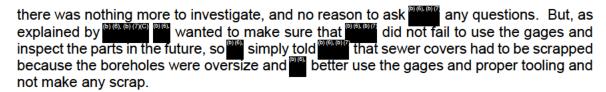
In NLRB v. J. Weingarten, 420 U.S. 251 (1975), the Supreme Court held that an employee was entitled to union representation in an investigatory interview that could lead to the discipline of that employee. This "right" is not automatic. The employer has no obligation to provide a union representative in such a meeting unless the employee asks for it.

The NLRB and various courts have also held that even if an employer violates the Act by denying an employee a union representative in an investigatory interview that resulted in that employee's termination, Section 10 (c) of the Act prohibited reinstatement of the employee and a make-whole remedy. Thus, if the employer terminates an employee for misconduct that occurred before the unlawful meeting that the employer was investigating in the unlawful interview, the fact that the employer denied the employee his/her Weingarten rights does not negate the fact that the employer terminated the employee for cause. See Taracorp Industries, 273 NLRB 221 (1984). See also E.I. Dupont de Nemours & Co., Inc., 362 NLRB 843 (2015).

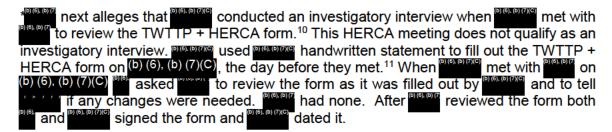


The facts and documents fail to support claims. As described in more detail in the FACTS above:





denies asking any questions about this incident. also denies that asked tor Union representation when told what to do in the future.



\*Based on and (b) (6), (b) (7)(C) on (b) (6), (b) (7)(C) recommending that be terminated. So, included the HERCA meeting with was possible that may have said something that could have caused the Company to review its manufacturing processes on that machine.

finally alleges that was denied Union representation at the (b) (6), (b) (7)(C) termination meeting. If the continuous meeting and was made long before this meeting occurred. Indeed, the sole purpose of the meeting was to inform was present. There was no investigation to conduct. The (b) (6), (b) (7)(C) meeting was not an investigatory interview. The (b) (6), (b) (7)(C) meeting was being terminated.

It must also be remembered that the Company's hourly employees have been represented by the Union for over seventy years. Management knows it has nothing to gain by denying a request for Union representation. Local 180 is very aggressive in defending the hourly employees it represents. If the Company were to deny an employee their Weingarten rights, the Chairman or President of the Union would be making it known to management, filing grievances or ULP charges.

In this analysis it is also important to consider what did not occur. knew that, even as a probationary employee, was represented by the Union. claims that asked for,

to laims that this meeting occurred on (b) (6), (b) (7)(C). That is not correct. The TWTTP + HERCA form is signed by both and and and and and and is dated (b) (6), (b) (7)(C).

<sup>11</sup> In the upper right of page one of the form, had typed in had typed in the form.

and was denied Union representation on three separate occasions, starting in mid-November. Yet, did not file a grievance claiming that was denied Union representation. To the Company's knowledge, rever complained to the Union that the Company was not allowing him to have a Union representative present when was being questioned. Certainly, the Union never came to the Company indicating that there was such a problem.

(6) (6), (b) (7)(C) meeting in the Notice Of Documented Coaching for producing the sewer covers with gave the oversized boreholes that had to be scrapped. (b) (6), (b) (7)(C) was present at read to them the reason why was being disciplined. There was no doubt was receiving this Documented Coaching because of the scrapped sewer covers. Yet, to say, with (b) (6). (b) (7)(c) remained silent. This would have been a perfect time for present. that incident after refusing to provide representation. That was never said in that meeting. Why? Because with Union never asked any questions about that incident, presentation and never asked for Union representation and never denied request for Union representation.

be fatal to claims. Simply stated, cannot be believed. credibility and should be viewed for what they are. An after the fact desperate attempt to "create" a story that might result in him regaining intentions fail for multiple reasons. In the actual facts do not lend any support for story. More importantly, the Act as well as NLRB and court decisions reject attempt.

Section 10 (c) of the Act states:

"No order of the Board shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause."

Herein, the facts are undisputed that was terminated because of misconduct that occurred outside of any meeting with the Company. As stated in Knight's (b) (6), (b) (7) (c) email to and Brust, recommended resulting in damage to machine (b) (6), (b) (7) (c) and lost production, the (b) (6), (b) (7) (c) incident resulting in the scrapped sewer covers and the October 28 argument with the shift operator. (b) (6), (b) (7) (c) incident recommendation was acted upon and the decision to terminate was made.

Under these circumstances, the Board has made clear, in Taracorp Industries, 273 NLRB 221 (1984), that, assuming arguendo, that even if could prove that was denied Union representation in an investigatory interview that could lead to discipline, is not entitled to reinstatement or back pay. In Taracorp, the Board stated:

"Accordingly, we are compelled to conclude that Weingarten cases fall into the category of cases where a make-whole remedy is precluded by operation of Section 10 (c). Thus, when an employee is discharged or disciplined for cause, that employee will not be entitled to reinstatement and back pay simply because his or her Weingarten rights were violated."

273 NLRB at 223. Montgomery Ward & Co. v. NLRB, 664 F.2d 1095 (8<sup>th</sup> Cir. 1981); NLRB v. Potter Electric Signal Co., 600 F.2d 120 (8<sup>th</sup> Cir. 1979. See also, E. I. Dupont de Nemours & Co., 362 NLRB 843 (2015).

In light of the facts presented above, claims are simply not credible. Those facts should result only in a rejection of claims.

### CONCLUSION

Based on the foregoing facts, arguments and authorities, the Company respectfully requests that the unfair labor practice charge be dismissed in its entirety.

Very truly yours,

FORD & HARRISON LLP

/s/Larry G. Hall LARRY G. HALL

LGH<sup>(b) (6), (</sup>

Attachments

WSACTIVELLP:12870030.1

# EXHIBIT 1

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# **CENTRAL AGREEMENT**

THIS AGREEMENT is made and entered into this 1st day of May,2016, by and between CNH America, LLC (hereinafter referred to as the "Company"), or its successor, and INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AND ITS LOCAL UNION NOS. 180 and, 807, (hereinafter referred to as the "Union").

# ARTICLE I RECOGNITION

- A. (Local Supplement)
- B. The Company recognizes the Union as the exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, and other conditions of employment for the production and maintenance employees in the appropriate bargaining units described in the Local Supplemental Agreements (hereinafter referred to as "Local Agreement") between the Company and the Union.
- C. Where there is any conflict between a provision of the Local Agreement and a provision of the Central Agreement, the provision of the Central Agreement shall prevail.

# ARTICLE II NO DISCRIMINATION

The Company and the Union agree that neither will discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, religion, disability, or age in violation of the applicable laws intended to prevent such discrimination. Further the Company and the Union agree to comply with the pertinent provisions of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans Readjustment System Act of 1974, as amended, and the applicable executive orders governing discrimination in employment. Consistent with the terms of this Agreement, the Company and the Union subscribe to the principles of affirmative action to encourage the employment of minority group applicants and assure that employees are treated during employment without regard to their race, creed, color, sex, national origin, religion, disability, or age.

Whenever a reference to male gender appears in this Agreement, it is understood that such language is nonrestrictive and is intended to include females.

The Company and the Union agree that they will comply with pertinent provisions of the Americans with Disabilities Act. Accordingly, when an issue arises under the ADA the parties agree to meet and cooperate in resolving the issue consistent with the ADA.

# ARTICLE III UNION SECURITY

### Section 1. Union Shop.

This Article shall be construed and complied with in conformity with and subject to all federal and state laws having a bearing on the subject matter hereof.

- A. An employee in the bargaining unit who is a member of the Union in good standing on the effective date of this Agreement shall commencing thirty (30) days thereafter maintain his membership in the Union for the duration of this Agreement as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution), and the current periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- B. An employee in the bargaining unit on the effective date of this Agreement who is not a member of the Union on the effective date of this Agreement shall be required to become a member within ten (10) days after the thirtieth (30th) day following their date of employment. Employees required to join the Union under this subsection shall maintain their membership as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution) and the current periodic dues uniformly required as a condition of retaining membership in the Union.
- C. The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the initiation fee and the periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- D. "Member of the Union in good standing" as used in A and B above means any employee who is a member of the Union and is not more than thirty (30) days in arrears in the payment of periodic dues.
- E. Initiation fees for membership in the Union shall not exceed the amount prescr bed by the Constitution of the International Union at the time the employee becomes a member.

# Section 2. Payroll Deduction of Union Dues.

- A. For the duration of this Agreement and subject to the applicable federal and state laws and the provisions of this Section 2, the Company agrees to deduct from the wages earned and pay over to the Local Union the Union membership dues of all employees within the bargaining unit who are members of the Union and who in writing authorize and request the Company to do so in accordance with the provisions of this section. "Union membership dues", as used herein, means the employees' periodic dues and initiation fees, if any. Should the Local Union later certify to the Company that the amount due as periodic Union dues has been changed, the Company shall deduct and remit in accordance with such certification. The Local Union will keep the Company informed of the proper amounts to be deducted in each case.
- B. Employees who desire to authorize and request the Company to make such deductions and payment of their Union membership dues shall use the form attached hereto as Exhibit No. 1 and entitled "Authorization for Checkoff of Dues."
- C. The deduction of Union membership dues shall be deducted from the wages and/or SUB Benefits of each employee upon properly filling out and signing the Authorization for Check Off of Dues Forms. Union dues will be deducted for the current month and promptly remitted to the financial secretary of the Local Union, UAW. At the time of such remittance to the financial secretary. the Company shall submit the names of the employees from whose pay the deductions are made and the amounts deducted in each case. At the beginning of each month the Company will provide to the financial secretary of the Local Union a list of employees hired, terminated, and on leave of absence. The dues deduction shall be calculated on the wages earned during the first full pay period of the month and deducted from the earnings of the second pay period, which is paid the third week of the month. If the earnings are not sufficient to pay the dues deduction in said second pay period, the deduction will be made the next pay period in which the earnings are sufficient. Provisions covering Union dues deduction relating to Supplemental Unemployment Benefits are covered in the Supplemental Unemployment Benefits Plan. The Company will furnish at the end of each year a statement to the employees showing the total amount of Union dues deducted for the year.

(Local Supplement Local 180)

D. The Union shall indemnify and save the Company harmless against any form of liability that shall arise out of any action taken by the Company in reliance upon employee payroll deduction authorization forms submitted to the Company by the Union.

### Section 3. Introduction of New Employees.

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To facilitate the administration of this Agreement, the supervisor will introduce an employee who is new in the department or shift, to the appropriate department steward. If the steward is present this will be done the first day the employee is in the department.

# ARTICLE IV FUNCTIONS OF MANAGEMENT

It is agreed that the Company retains the sole right to manage the affairs of the business and to direct the working forces of the Company. Such functions of management include (but are not limited to) the right to:

- Determine the methods, products, and schedules of production, locations of production, the type of manufacturing equipment and the sequences of manufacturing processes.
- (2) Determine the basis for selection, retention and promotion of employees for occupations not within the bargaining unit established in this Agreement.
- (3) Maintain the discipline of employees including the right to make reasonable rules and regulations for the purpose of efficiency, safe practices and discipline. Such rules and regulations shall be published. When the Company creates or modifies a rule or regulation, it will first meet with the Chairman of the Bargaining Committee to explain the new rule or regulation. The Company will also provide notice to the employees, via a posting, of the new rule or regulation prior to its implementation.
- (4) Direct generally the work of the employees including the right to hire, discharge, suspend or otherwise discipline employees for good cause, to promote, demote, or transfer employees, to assign them to shifts, to determine the volume of production and to lay them off because of lack of work or for any other legitimate reason.

All of the foregoing is subject to the terms and conditions of this Agreement.

# ARTICLE V NO STRIKES OR LOCKOUTS

#### Section 1. No Strikes.

During the life of this Agreement, the Union shall not cause or support, nor shall any employee or employees take part in, any action against the Company such as a strike, intentional slowdown of production, or any other interference with or stoppage of the Company's work. The Company shall not conduct a lockout during the term of this Agreement.

### Section 2. Special Exception to No-strike Clause.

- A. The provisions of Section 1 shall not apply in the case of grievances involving a specific new or changed incentive standard, or a specific new or changed hourly classification, if the following procedures have been complied with:
  - (1) Grievances involving a specific new or changed incentive standard or a specific new or changed hourly classification have been processed according to the grievance procedure and have been appealed to arbitration within the time limits provided in this Agreement.
  - (2) The International Union has filed with the Company a notice signed by an officer to the effect that the Union is withdrawing the grievances from arbitration and declining to arbitrate the issue in dispute.
  - (3) A notice has been posted in the plant or plants of the bargaining unit involved on the Union bulletin board for a period of five (5) working days descr bing the issue in dispute in the grievances, stating that the issue has been withdrawn from arbitration and advising the employees that a vote by secret ballot will be held to determine whether or not there shall be a strike of all employees in said bargaining unit over the issue involved in the dispute in said grievances.
  - (4) The Local Union in a notice from the president of the Local Bargaining Unit has advised the Company in writing that the Local Union has advised its membership that the grievances have been withdrawn from arbitration and that the membership by a majority vote has authorized a str ke.
  - (5) The International Union had advised the Company by written notice that the International Union has authorized a str ke of all employees in the bargaining unit.
  - (6) The strike does not begin within ten (10) days following the giving of the last notices, that is, by the International or Local Union provided in (3), (4), and (5). During this ten (10) day period or any mutually agreed upon extension thereof, an earnest effort shall be made by both parties to settle the dispute. If no settlement has been reached by the end of the ten (10) day period or the end of any mutually extended period, the Union shall, within fifteen (15) days, call a str ke

- on the grievances or the grievances shall be deemed settled on the basis of the Company's answer.
- (7) In the event a strike permitted under this section does take place, it shall not take the form of a sit-down, stay in, or limited str ke, but shall be a general strike requiring all employees represented by the Union in the bargaining unit involved to leave the plant or plants involved. No grievances, disputes, or demands other than the particular issue of the grievances involved, shall be presented by the Union or discussed during such strike period.
- (8) The provisions of this Section shall be strictly followed or the provisions of Section 1 shall apply.

# ARTICLE VI UNION REPRESENTATION

### Section 1. Bargaining Committee.

(Local Supplement)

### Section 2. Meetings with Bargaining Committee.

- A. Regular meetings between the bargaining committee and the Company will be held at least once monthly or as required by the parties (at a time agreed upon locally) provided the Union has submitted a written agenda to the Company by two-thirty (2:30pm) two days prior to scheduling the meeting. The agenda will consist of grievances which have been appealed to Step 3 of the grievance procedure and other matters of mutual interest which the Union wishes to discuss at these regular meetings.
- B. Special meetings for emergency matters may be arranged between the bargaining committee and the Company. Such arrangements shall be made in advance by presenting to the Human Resources Department a request for such a meeting, stating the matter to be discussed at such emergency meetings.
- C. Not to exceed three (3) nonemployee Union representatives may participate in such regular or special meetings.

#### Section 3. Stewards.

(Local Supplement)

### Section 4. Union Business During Working Hours.

- A. Subject to the exception in Article X, Section 2, members of the bargaining committee and the stewards may leave their work to conduct Union business during working hours for the purposes of the handling of grievances or to attend a regular or special meeting between the Company and the Union, and then only after notifying their supervisor. In the absence of the supervisor from the department, the steward or member of the bargaining committee will notify the next level of supervision, or his designee.
- B. Stewards, or members of the bargaining committee, investigating grievances shall inform their supervisor as to what department they desire to visit and upon entering such department shall notify the supervisor of that department of their presence and purpose. Other Union representatives shall at no time leave their work to participate in Union business, except as provided in Article X, Section 2.

### Section 5. List of Union and Company Representatives.

- A. The Union will present in writing to the Human Resources Department the names of the bargaining committee, stewards, and alternate stewards by districts. The Union shall inform the Company promptly of any change in Union representation.
- B. The Company will present in writing to the Union a list of the appropriate management personnel who will discuss grievances in Steps 1 and 2, and will inform the Union promptly of any changes in this list.

# ARTICLE VII GRIEVANCE PROCEDURE

#### Section 1. Definition.

The term "grievance" as used herein shall mean a complaint subject to interpretation or application to this Agreement. Grievances of a general nature, and involving matters which are outside the jurisdiction of the supervisor, will be known as policy grievances and may be presented in Step 3. Any settlement of a policy grievance shall be reduced to writing and signed by both parties.

#### Section 2. Time Limits

A grievance must be filed, in writing, within fifteen (15) calendar days after the date of the event giving rise to the grievance or, within fifteen (15) calendar days after the employee or the Union reasonably could have been aware of the event giving rise to the grievance. Any grievance not filed within the applicable fifteen (15) calendar day time period shall not be valid and will not be processed under this procedure

### Section 3. Grievance Steps.

Prior to the formal procedure every reasonable effort will be made by the supervisor, steward, and employee to satisfactorily settle the grievance.

An employee desiring to have the Union take up his grievance may contact his steward and the grievance will then be processed in the following manner:

STEP 1: If the grievance is such that the supervisor cannot settle it satisfactorily at the time of presentation it shall be reduced to writing on forms provided for this purpose by the Company and presented to the supervisor. This written grievance shall be signed by the aggrieved employee (if he is available) and the steward of the department. The supervisor will give his answer to such grievance, in writing, by the end of two (2) working days from the receipt of the written grievance. Such time period for answering the grievance may be extended by mutual agreement. In the event the supervisor does not give his answer by the end of the two (2) working days or the extended time period, if applicable, as specified above, the

grievance will automatically be passed on to the next step.

- STEP 2: The supervisor's decision will be considered final, unless within five (5) working days of the supervisor's answer the grievance is presented by the bargaining committeeman (who may be accompanied by the steward of the aggrieved), to the next level of supervision in the area in which the grievance originated, or his designated representative. Said Company representative, will submit his written answer to the grievance within five (5) working days after the date of presentation to him. Such time period for answering the grievance may be extended by mutual agreement. In the event this Company representative does not submit his answer within five (5) working days or the extended time period, if applicable, the grievance will automatically be passed on to the next step.
- STEP 3: The decision of the next higher level of supervision will be considered final unless within five (5) working days of this answer the grievance is presented in writing to the Human Resources Department with a request that it be placed on the agenda for the next regular meeting between the bargaining committee and the

Company, at which meeting a further effort will be made to settle the grievance.

Prior to the third step meeting a joint investigation will be conducted upon the request of either party. The parties will exchange and update any relevant information concerning the grievance, and attempt to agree upon operative facts and clarify any issues for the third step meeting.

The Company will advise the Union of its disposition of the grievance within five (5) working days of said meeting.

#### Section 4. Arbitration.

- The Company's answer provided in Step 3 shall be considered final unless Α. within ten (10) working days after receipt of the Company's final answer the chairman of the local Union bargaining committee requests in writing that the grievance be submitted to an impartial arbitrator in accordance with paragraphs C and D below. Such a request shall be submitted to the Director of North American Labor Relations. At any mutually convenient time, the International Representative from the UAW CNH Department or his Representative, will meet at the plant location with the Company's designated representative to discuss a possible settlement of the grievance(s). In addition to the above two individuals, the meeting may be attended by two (2) members of the Local Union and two (2) members of Local Management. Those grievances settled will be answered in writing by the Company. Those grievances remaining unsettled will be placed on the arbitration docket at the meeting. The Company and the Union agree with the principle that grievances at each location will be scheduled for arbitration and arbitrated in the order filed (i.e. date written grievance filed). Discharge cases will be given priority in scheduling and other extraordinary cases may be advanced out of this order by mutual agreement of the parties at this meeting.
- B. The arbitration docket agreed to in the meeting of this Section 3 A will be the basis for the Company's designated representative and the UAW CNH Department to select and schedule an arbitrator and arbitration dates in accordance with paragraphs C and D below period following the meeting. Those grievances not assigned to arbitration at this meeting will be considered settled on the basis of the Company's last answer.
- C. For any grievance not resolved at the Section 3A meeting which is assigned to arbitration, the Union must request a panel of seven arbitrators from FMCS within fifteen (15) calendar days after the Section 3A meeting or that grievance will be considered settled on the basis of the Company's last answer. The panel of arbitrators requested from FMCS shall be limited to arbitrators who are members of the National Academy of Arbitrators. If any panel provided by FMCS includes any arbitrators who are not members of the National Academy of Arbitrators either party may reject the entire panel

- and another panel requested. Each party may reject one entire qualifying panel.
- D. Once a qualifying panel is received, the parties must select an arbitrator from that list within ten (10) calendar days. From the panel of seven arbitrators the Union shall strike the first name, the Company shall strike the second name and then alternately str ke a name until one name remains. The remaining name shall be the arbitrator. The parties shall jointly notify the arbitrator of his/her selection and ask for the arbitrator's dates of availability. Every effort must be made by the parties to act in an expeditious manner to process an arbitration appeal. If the arbitrator selected is not available to schedule a prompt hearing date (within 120 calendar days), the parties may mutually agree to repeat the selection process set forth in paragraphs C and D of this Section 3 and a new arbitrator selected.
- E. The Company and the Union shall each bear one-half (1/2) the cost of the fees and expenses of the impartial arbitrator.
  - If a transcript is taken at the arbitration hearing, a copy of the transcript will be furnished the Union at no cost. The Company will pay for one (1) union witness (not including the grievant) directly related to the case for the time actually lost from work to testify at the hearing. The employee will be compensated at his applicable rate.
- F. The functions and jurisdiction of the impartial arbitrator shall be fixed and limited by this Agreement and he shall have no power to change, add to, or delete from its terms. He shall have jurisdiction only to determine issues involving the interpretation or application of this Agreement; and any matter coming before the impartial arbitrator which is not within his jurisdiction as herein defined shall be returned to the parties without decision or recommendation. In the event any disciplinary action (including reprimands) taken by the Company is made the subject of an arbitration proceeding, the arbitrator's authority shall, in addition to the limitation set forth herein, be limited to the determination of the question of whether the employee involved had been disciplined for proper cause, except that if the arbitrator finds that the penalty assessed by the Company is inappropriate for the offense or offenses committed, he may modify that penalty.
- G. If an insurance issue involving medical findings is not resolved in the insurance review under ARTICLE XIV, Section 4.B, then either party may request at the 3rd step meeting that the issue be submitted to a third physician for an opinion. The parties will mutually agree to a 3rd physician for a referral examination of fact, tests, and consultation as he may feel necessary. The 3rd physician will be provided with all relevant medical documentation from previous examining physicians. The function and jurisdiction of the 3rd physician shall be strictly limited to issuing his written opinion containing his medical findings which resolves the dispute between the 1st and 2nd physicians on that medical issue. The 3rd physician shall have no power or authority to issue any opinion which interprets this contract or insurance

agreements or which relates to the application of such documents. For this limited purpose the 3rd physician shall be deemed to be an arbitrator and his medical findings shall be enforceable under the Uniform Arbitration Act or other relevant statute. Issues of contract interpretation or application arising out of or relating to the 3rd physician's medical findings shall be submitted to one of the arbitrators on the permanent panel. The expenses of the 3rd physician, including tests, etc. will be shared equally by the parties.

H. The decision of the arbitrator shall be final and binding on the Company, the Union, and the employee or employees involved.

## Section 5. Time Limits and Employee Attendance.

The time limits for the Union representatives to appeal and the Company representatives to answer may be extended by agreement in writing. Either party may require the presence of the aggrieved employee at any step of the grievance procedure.

# Section 6. Company Pay for Union Time.

- A. Company paid union time shall be limited to union representation functions directly related to the facility where the union representative is employed. Such union representation functions shall include grievance investigation, grievance processing, safety issues or matters, equal employment opportunity issues, pension or insurance issues, work standard issues, contract administration, and similar representation duties, but shall not include offsite union institutional functions (e.g., organizing activity, union conventions, etc.).
- B. Company paid Union time shall be established at each local plant covered by this agreement (i.e. RMO, Burlington), and shall cover all union representation functions at that facility; provided however, that the U.W.S.R. at RMO and Burlington (if applicable) shall not be included in this paragraph B and shall continue to be governed by the LOU Re: Union Work Standards Representative, and provided that at RMO and Burlington, Company paid Union time beyond the Local Agreement shall also be provided for:
  - One safety representative, who shall be paid up to forty (40) hours per month for lost working time due to health and safety activities.
  - One EEO representative, who shall be paid up to two (2) hours per quarter for working time lost in EEO meetings and time lost for Company called meetings.
- C. Working time lost by stewards investigating and processing grievances in Steps 1 and 2 of the grievance procedure will be paid at their applicable hourly day rate, but not to exceed four (4) hours per week for each steward. The Local Agreement will determine whether there shall be any stewards and, if so, how many.

- D. Union representatives called away from work to attend a meeting with the Company which is scheduled by the Company shall be paid their applicable hourly day rate for working time lost by them in such meetings.
- E. The Company shall pay recognized UWSR's for time lost from their work in making joint studies, in analyzing the data and for time spent in the standards grievance procedure for a maximum of eighty (80) hours over each four (4) week period during the term of this Agreement.
- F. Company paid union time shall be at the applicable hourly day rate set forth in the appropriate wage schedule.
- G. The above description of non-institutional union representation functions is not intended to diminish the definitional scope of Company paid union representation functions under the 1998-2004 Agreement.

### Section 7. Plant Visitation.

International Union representatives, not to exceed three (3) who wish to visit the plant because of a grievance which is in Step 2 or 3 of the grievance procedure, or has been appealed to arbitration, will make such request to the Human Resources Manager who will make arrangements for such visitation.

## Section 8. Expedited Arbitration Procedure.

In the event of an alleged violation of Article V hereunder, the issue arising therefrom may be submitted immediately to one (1) of the permanent arbitrators (referred to in Section 3 above) and heard by said arbitrator within twenty-four (24) hours (or as promptly thereafter as possible) after the occurrence of the alleged violation. If the arbitrator finds that the Agreement has been violated, he shall order that the party or persons in violation cease and desist from such conduct and said order shall be in writing and shall be issued at the conclusion of the arbitration hearing. Utilization of this procedure by the Company or the Union is purely discretionary and its employment shall not operate as a condition upon either the Company's or the Union's resort to other contractual, administrative or judicial remedies. The party initiating the expedited arbitration procedure hereunder shall bear the full cost of the fees and expenses of the impartial arbitrator.

# ARTICLE VIII DISCIPLINE AND DISCHARGE

A. An employee will not be suspended, discharged, or reprimanded except for good cause. Where a supervisor's report is issued in the case of suspension or discharge the steward shall be made available to the employee to witness the issuance of the discipline.

- B. If the matter involves suspension or discharge, the supervisor will, if requested, immediately discuss the matter with the steward, area committeeman if in the plant (or in his absence an available committeeman), and the employee. In the absence of the steward, the alternate steward will be made available. Where the discharge or suspension involves discipline for tardiness, absenteeism, low efficiency, or poor workmanship the employee, upon filing a grievance, will not be required to leave the plant until the emergency meeting in C below has been held.
- C. If a grievance is filed on a suspension or discharge, it will be handled as an emergency matter in a special meeting to be held within two (2) working days after the filing of such grievance. This meeting may be attended by three (3) Company representatives and three (3) Union representatives or pertinent witnesses. The subsequent Company response shall constitute the third step answer.
- D. Copies of written reprimands including disciplinary action will be given to the employee at the time of such reprimand or discipline with a copy to the steward. A copy will also be sent to the Union.
- E. In imposing discipline on a current charge, the Company will not take into account any reprimand which was issued more than two (2) years previously.
- F. Disciplinary layoffs or suspensions shall not affect an employee's qualification for holiday pay.

# ARTICLE IX SENIORITY

### Section 1. Definition.

Seniority is an employee's length of service with the Company at each respective bargaining unit from his last hiring date in said bargaining unit. The seniority of an employee who was hired into a job outside a bargaining unit and then transferred into that bargaining unit, will date from the date of his transfer into that bargaining unit.

# Section 2. Probationary Employees.

A newly hired or rehired employee shall be considered an employee on probation for a period of one hundred and twenty (120) calendar days, which must be completed within twelve (12) months. This period is intended to give the Company an opportunity to evaluate the new employee's suitability and his work performance, and his termination for reasons related to suitability and work performance is entirely within the discretion of the Company. An employee

retained beyond the probationary period shall acquire seniority in the department in which he completed his probationary period, and his seniority will date back to his hiring date.

In the event a supplemental employee is converted to a regular employee, the period of time employed as a supplemental employee shall count toward satisfying the probationary period.

# Section 3. Transfers out of Bargaining Unit.

Employees transferred out of the bargaining unit, and subsequently transferred back into the bargaining unit, shall receive seniority credit only for the time worked in the bargaining unit.

Employee(s) who transfers out of the bargaining unit and subsequently returns to the unit will upon return to the bargaining unit, be placed in any vacancy (that has cleared the posting procedure) in the last classification in the seniority unit in which he worked just prior to leaving the bargaining unit, if no such vacancy (that has cleared the posting procedure) exists, he shall displace the least senior employee in the plant, provided he has the seniority to warrant him the classification, which will become his recallable classification.

# Section 4. Termination of Seniority.

An employee's seniority shall be terminated for any one of the following reasons:

- (1) If he quits.
- (2) If he is discharged for good cause.
- (3) If he is absent for more than three (3) consecutive working days without properly notifying the Company, unless circumstances make it impossible to so do.
- (4) If he fails to report to the Employment Office within three (3) consecutive working days in response to a recall notice, unless circumstances make it impossible to so do. Recall notice by registered mail, return receipt requested, will be mailed to the employee's last address on record at the plant. The Company shall be entitled to rely upon the last address on record, and it shall be the employee's responsibility to immediately notify the Employment Office of any change of address by mail or in person.
- (5) If he fails to report for work upon termination of any leave of absence, unless circumstances make it impossible to so do.

- (6) If he is laid off for a period of time equal to or greater than his length of service, provided his seniority shall be retained for a minimum of two (2) years.
- (7) If he is absent due to sickness or non-occupational injury for five (5) years (except for periods of time covered by the provisions of the Accident and Sickness Plan and/or provisions of the Long-Term Disability Plan); or
- (8) If he is retired under a Company pension plan.

## Section 5. Layoffs.

(Local Supplement)

### Section 6. Recalls.

(Local Supplement)

## Section 7. Ability to Perform the Work.

A. "Ability to perform the work" means, first, that the Company's records or that the employee's mechanical or other appropriate adaptability, judged on the basis of his experiences, and education substantiated through diplomas, certifications and degrees, as made known to the Company, indicates the reasonable certainty that the employee can competently perform the work in question; and, second, that the employee demonstrates in actual performance of the work his ability to perform the work competently (Local 807 Supplement - LOU Re: Joint Training Committee).

The Company will make available to each employee the opportunity to update his personnel records on a form provided by the Company, with information concerning acquired experience, schooling, training and skills that would assist in future employee placement.

- B. In administering the preceding paragraph, in cases of reductions in the work force and recalls, the Company will follow the following procedure:
  - (1) Where the Company's records or an employee's background as made known to the Company indicate that he can do the work in question with a "break in" period, he will be allowed such a "break in" period.
  - (2) With respect to the plantwide pool and "entrance" jobs only, it is agreed that any employee who has the necessary physical qualifications is qualified to perform the plantwide pool and "entrance" jobs. (Local Supplement – Local 807).

- (3) A "break in" period shall be of reasonable duration (depending on the complexity of the work) but shall be not less than five (5) days. It shall include allowing the employee to become acquainted with the peculiarities of the work in question for the purpose of orientation, but shall not include training him to do the work.
- (4) If at the end of the "break in" period the employee has not reached an acceptable level of performance, he shall be deemed not to have the "ability to do the work." The steward will be informed in writing of the employees' lack of progress.

### Section 8. Permanent Transfers.

- A. If departments or classifications or teams (consisting of a classification or a group of classifications) are permanently discontinued, employees will be offered other work in accordance with the layoff procedure.
- B. If a machine is transferred from one department or overtime district, or moved within the same department or overtime district, and the work associated therewith can clearly be identified to an employee(s) in the department or overtime district, then the employee(s) whose machine is being transferred, or replaced, shall be given the option of transferring to the new department or overtime district, or moving within the department or overtime district. If the employee declines transfer, the remaining employees in the classification within the overtime district within the department\_in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the overtime district. (Local 807 Supplement).
- C. If a majority of a job is transferred from one department or overtime district to another, and the work associated therewith can clearly be identified to an employee(s) in the department or overtime district, then the employee(s) whose job is being transferred shall be given the option of transferring to the department or overtime district. If the employee declines transfer, the remaining employees in the classification overtime district within the department\_in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the overtime district. (Local 807 Supplement).
- D. In those instances where the transfer of work involves a Union steward or area committeeman who is the only employee in a team or classification, such employee at their option may remain in their area of representation conditioned upon ability to perform the work beginning by displacing the least senior employee in the area they represent.

### Section 9. Promotions.

(Local Supplement)

## Section 10. Preferential Assignments to Light Work.

Employees who by reason of physical disability are unable to handle their regular assigned classifications to advantage shall be given preference on any available work. Available work shall be defined as work to which no one has recall rights. If no work is available, the employee will be treated as a reduction in force from his classification, and in line with his seniority and the provisions of the layoff procedure, he can use the bypass provisions to arrive at work that is suitable to his condition. This classification shall then become his recallable classification.

(Local Supplements Local 180 and 807).

### Section 11. Shift Preference.

- A. Employees with the greatest seniority shall have preference of shifts in their classification and department. When shift preference is exercised, the employee with the least amount of seniority (on the shift preferred) in the same department and classification affected, shall be displaced.
- B. An exercise of shift preference may be delayed only when it would result in an imbalance between experienced and inexperienced workers to the extent that an operation could not continue to operate in the previously satisfactory manner. However, the request will be granted as soon as there is a qualified replacement.
- C. An employee may not exercise shift preference more than once each six (6) months. This limitation will not apply where an employee who has exercised shift preference as in A above is displaced by another employee exercising shift preference or curtailment of shift assignment prior to the completion of the six (6) months period.

# Section 12. Notice of Layoff.

Except for reasons of emergency, the Company will give at least three (3) days' notice prior to layoff to the employee affected. The Company will make every effort to notify the area committeeman in advance of such pending layoff, and provide him a list of the least senior employees in his area who may be removed from the plant. The employee's steward shall be informed of the layoff when this notice is given to the affected employee.

# Section 13. Seniority List.

Each department in the plant shall post a separate seniority list which shall be updated monthly. The Local Union will be supplied with two copies of the seniority

list for each department monthly. In the event a grievance arises concerning the accuracy of either list, all facts shall be made available to the Union representatives dealing with the grievance.

## Section 14. Seniority Preference.

For the purpose of providing continued Union representation and for no other reason, stewards (or alternate stewards acting in the capacity of stewards), Union bargaining committeemen, and members of the Executive Board (not to exceed 11 members in total), UWSR, shall have seniority preference over all the employees they represent conditioned upon ability to perform the work. Such seniority preferences shall apply only to layoff and recall, except that stewards or Union bargaining committeemen or members of the Executive Board, as outlined above, shall not be removed from their shift through the exercise of shift preference by another employee. At the request of the Local Union, the Company will transfer members of the bargaining committee and/or members of the Executive Board, UWSR, to a particular shift. This member of the bargaining committee or Executive Board will displace the least senior employee in his classification and department on the shift requested. In the case of temporary layoff, the steward and committeeman in the department, district or area will for representation purposes be the last employee laid off based upon the provisions of this section. \*See Letters of Understanding

## Section 15. Transfer of Seniority.

In all cases of transfers in lieu of layoff, recalls, permanent transfers, or promotions, when an employee is moved or returned to a classification, department, or seniority unit pursuant to Sections 5, 6, 8, 9, or 10 above said employee's seniority shall be transferred immediately to the classification, department or seniority unit for purpose of seniority credit only.

### Section 16. Skilled Trades.

### Definition

- A. A skilled tradesman shall mean any employee who is in a skilled trades classification as set forth in the Local Supplement.
- B. A skilled trades journeyman is any employee who:
  - Has served a bonafide apprenticeship and has a certificate which substantiates his claim of such service, or
  - (2) Has eight (8) or more years of practical experience and can substantiate it with proper proof, or

- (3) Has a UAW journeyman's card, which shall be considered as presumptive proof of qualifications under (1) or (2) above, or
- (4) Has a journeyman's card from any other union which has apprenticeship standards comparable to the UAW.

An employee must provide proof to the satisfaction of the Company of his journeyman status prior to his date of entry into the skilled trades classification. This proof shall be reviewed with the Skilled Trades Committeeman prior to the employee's entry into the skilled trades classification.

C. The list of skilled trades classifications recognized by the Company and the Union applicable to each location is set forth in the Local Supplement.

## Seniority

- Notwithstanding the definition of seniority set forth in Article IX, Section 1, employees in a skilled trades classification shall have seniority dates based on the following:
  - Any employee who is hired, or promoted, into a skilled trades classification after April 30, 2016 shall have two seniority dates. These two dates are, and shall be used, as follows:
    - The employee's plant wide, or most recent date of hire, seniority shall be used only for the following purposes:
      - i. For benefit determination and vacation entitlement; and
      - ii. At time of layoff out of the skilled trades classification, to displace a less senior employee, in a non-skilled trades classification, in accordance line with the layoff provisions in the applicable Local Agreement;
      - When being recalled to a non-skilled trades classification in accordance with the recall provisions of the applicable Local Agreement.
    - b. The employee's skilled trades date of entry seniority shall be used only for the following purposes:
      - i. When a reduction in force occurs in that skilled trades classification, the employee's date of entry seniority shall be used to determine which employee(s) will be laid off out of that skilled trades classification in line with the applicable provisions in the Local Agreement; and
      - ii. When employees are being recalled to a skilled trades classification.
      - In determining the proper application of Article IX, Sections 8 and 11.

- If an employee in a skilled trades classification is laid off out of the skilled trades classification, the employee will not be allowed to exercise their plant wide seniority in a non-skilled trades classification unless the employee makes application to do so at the time of layoff on a form provided by the Company.
- An employee's date of entry seniority, or their recall rights to a skilled trades classification, shall not be affected by that employee's exercise of seniority while out of that skilled trades classification. This includes when a skilled trades employee successfully bids on a non-skilled trades job.
- Any employee who held a skilled trades classification as of April 30, 2016 shall have a date of entry seniority equal to their plant wide or, most recent date of hire, seniority.
- E. Any further employment in the skilled trades classifications listed in the Local Supplement, after the signing of this agreement, shall be limited to journeymen and apprentices, unless otherwise agreed to by the Company and the Union (except as provided below).
  Whenever it becomes necessary to increase the workforce in a non-apprenticeable classification and there are no journeymen available, the Company shall post the vacancies and select applicants thru a joint interview process providing they have the skill, ability, experience and physical fitness to properly perform the work of the job classification. If there are multiple candidates determined to be equal during the interview process they will be selected in line with their seniority.

To be selected for transfer under the above provisions, an applicants' record of prior work experience, as previously made known to the Company, shall indicate that he possesses the necessary skill and ability to perform the work and can adapt to the vacant job.

F. Any further employment in the skilled trades classifications listed in the Local Supplement, after the signing of this agreement, shall be limited to journeymen and apprentices, unless otherwise agreed to by the Company and the Union (except as provided below).

Whenever it becomes necessary to increase the workforce in a nonapprenticeable classification and there are no journeymen available, the Company shall post the vacancies and select applicants in line with their seniority, providing they have the skill, ability, experience and physical fitness to properly perform the work of the job classification.

To be selected for transfer under the above provisions, an applicants' record of prior work experience, as previously made known to the Company, shall indicate that he possesses the necessary skill and ability to perform the work and can adapt to the vacant job.

## Rates of Pay

- G. Maximum, minimum, and entry rates are listed in Schedule C, Hourly Rate Plan of this Agreement.
  - (1) An employee(s) transferred or hired into a skilled trades classification, who does not qualify as a journeyman, will receive an entry rate (as provided in the Wage Schedules Hourly Rate Plan) for the classification to which he is transferred or hired
  - (2) Each six (6) months after such transfer or hire, he will receive one-half (computed to nearest full cent) of the difference between the entry rate and the minimum rate of his classification.
  - (3) A journeyman hired into a skilled trades classification will be paid at least the minimum rate of his classification or more, based on the qualifications of the employee, as determined by the Company. An apprentice who graduates into one of the skilled trades classifications will receive the maximum rate of his classification.
  - (4) At least once each six (6) months the appropriate supervisor will review the rate of an employee being paid less than the maximum rate of his classification and determine whether his progress merits an increase. The starting date for this interval shall be the date this agreement becomes effective or the date that an employee starts receiving the minimum rate. Increase increments will be one-third (computed to nearest full cent) of the difference between the minimum and maximum.
  - (5) If an employee does not receive an increase under (4) above, he shall be given in writing by the Company a list of the skills in which he needs improvement to qualify him for an increase.
  - (6) An employee who transfers or is reassigned to a skilled trades classification that he had previously held shall not be paid less than the rate level he had previously attained in that classification.
  - (7) A journeyman who transfers under D above of this Section to another skilled trades classification will be paid at least the minimum rate of the classification.
  - (8) If a skilled trades employee is elig ble for, and elects to be placed on, the Master Recall List and is selected for an available position in the same classification at a different location, the employee shall enter and be paid at the same relative rate level he had previously attained in that classification.
- H. Principles of Skilled Trades Work and Assignments

In making job assignments, Management intends to respect basic differences between the trades and recognize the importance and prestige of its

tradesmen. The Company cannot be put to a disadvantage by "multiple hairsplitting refinements and cumbersome and unreal distinctions." Indeed, the efficient operation of the Company's plants demand the full utilization of the talents of each trade.

Inherent in the work assignment to a skilled tradesman is incidental work. Incidental work will be accomplished by the tradesman assigned the principle job, providing the task is within the capabilities and can be performed safely by the principle tradesman.

# ARTICLE X LEAVES OF ABSENCE

### Section 1. General.

- A. Upon application, leaves of absence not to exceed ninety (90) days, except as provided in Section 2A, 3 and 4 of this Article X, may be granted employees without loss of seniority in cases where good cause is shown. Such leaves may be renewed or extended where good cause is shown. It will not be necessary for employees to make formal application for leaves of absence for sickness, injury, or vacation.
- B. Any employee who, while on leave of absence, uses such leave for any purpose other than that stated in the application for the leave, shall be deemed to have voluntarily quit.
- C. A Company representative will make a written record of all requests for leaves of absence and of the decision concerning such requests, and the Union shall be furnished with a copy of same.
- An employee who is on leave of absence and is qualified for vacation pay shall receive such pay.

### Section 2. Union Activities.

A. Employees elected or appointed to a fulltime Union job shall be granted a leave of absence and will accumulate seniority during that period; provided, however, that a formal application will be made as soon as the election or appointment is known to the employee involved. Such leaves of absence shall be granted to not more than six (6) employees total for all locations at any one time. In application of this Article X, Section 2 (A), those already on an approved Union Leave as of the date of this Agreement will be allowed to remain on such leave but shall be included in the total of six (6).

- B. Union representatives shall be granted leaves of absence for short periods to attend Union conventions, negotiation meetings, and similar functions related to performance of their office, and working time lost due to such absence shall count as time worked for holiday pay, vacations, and credited pension service.
- C. Stewards, members of the Union bargaining committee, or Union officers, shall be granted time off without pay by the Company for the performance of Union duties related to the respective Local Union, whenever necessary. In addition, with two (2) weeks advanced notification and consistent with production requirements up to ten (10) designated union members at each location will be granted time off without pay for attendance at union sponsored summer school, not to exceed ten (10) working days per employee each year.

### Section 3. Government Offices.

- A. For the purpose of enabling employees to participate in the affairs of the government, the Company shall grant upon application, leaves of absence to employees who are elected to municipal, county, state or federal government positions, or appointed to fulltime positions with the state or federal government. The leave to fulfill such government office shall not exceed six (6) years.
- B. For employees who are running for office, the Company will grant a leave of absence not to exceed sixty (60) calendar days for the purpose of campaigning for election to municipal, county, state or federal government positions.

# Section 4. Armed Forces; Peace Corps.

- A. Leaves of absence shall be granted employees who are drafted or volunteer into the Armed Forces of the United States. Such employees shall be accorded reinstatement rights in accordance with the Selective Service Act, as amended, upon release from service. In the case of veterans with service connected disability, such leaves may be extended for a period of up to five (5) years after discharge.
- B. In addition, an employee who is accepted for membership in the Peace Corps shall be granted the same privileges and shall be reemployed under the same circumstances as if he had entered the Armed Forces in accordance with subsection A above. This provision shall cover no more than one Peace Corps enlistment.
- C. An employee who has completed his probationary period and is attending summer encampment or annual reserve training as an obligation of service in the Armed Forces Reserves required by law will be reimbursed by the Company for a service period of not more than two weeks in any calendar year and for the amount by which the employee's service pay (not including expense money) is less than his normal company pay at his straight time hourly earnings (including shift premium) for the last calendar quarter prior to

such absence (plus current COLA and any applicable annual improvement factor). Such makeup pay will be calculated on a five (5) day workweek basis. To obtain this reimbursement, the employee must submit proper evidence of his military pay for this period. The Company will not require that an employee take vacation when his summer encampment or reserve training falls during a scheduled inventory/vacation shutdown. If the employee does not schedule vacation during such occurrence he will be entitled to the make-up pay under this Subsection C, provided that the employee was actively working immediately prior to the inventory/vacation shutdown and would have been actively working during the shutdown period had the shutdown not occurred.

D. In accordance with the requirements of C above and where an elig ble employee is issued orders for temporary emergency duty as a National Guardsman, the Company will provide the makeup pay under the formula stated in C for up to a maximum of ten (10) working days lost in any calendar year. Temporary emergency duty must be at the call of the state or federal government for emergencies, such as, fire, flood, storm, civil disorder, and similar catastrophes.

### Section 5. Educational Leave

- For the purpose of enabling an employee who has completed at least one vear's service to pursue an educational program toward a college degree, the Company shall grant a leave of absence upon application of the employee. Such leave of absence shall not exceed one (1) year; however, this leave may be extended from year to year (for a maximum of five (5) consecutive years from the commencement date of the initial educational leave of absence) provided application is made prior to the expiration of such leave and the employee has not accepted fulltime employment elsewhere. No extension will be granted until the employee shows proof of satisfactory grades. Subject to the same conditions outlined above, upon written request, an employee on educational leave may extend the period during which educational leave is taken to a maximum of six (6) years from the commencement date of the initial educational leave of absence, which shall consist of not more than five (5) total years of leave time and not more than one (1) year of work time which must be taken during one (1) interruption of the educational leave. An employee may terminate his educational leave of absence thirty (30) days after notification to the Company of his intention to terminate the leave. In such cases, another educational leave will not be granted. An employee on educational leave shall be offered suitable summer or temporary employment when available, however, he may not exercise seniority to displace another employee during such periods. The employee hired for summer or temporary employment during such leave period will participate in Company benefits and be granted time off for military summer encampment without make up pay.
- B. For the purpose of enabling an employee who has at least one year's service to pursue an educational program toward a recognized, accredited certificate or associate degree at an accredited trade or technical school in a skill or trade commonly utilized and employed by the Company, an employee may be

granted a leave of absence upon written application. Such leave of absence shall not exceed one (1) year; however, this leave may be extended up to one (1) additional consecutive year provided application is made prior to the expiration of such leave. Other rules as set forth in A above shall be applicable.

Paid absence allowance time off will be prorated according to the following schedule:

Hours Worked		Paid Absence Hours
1280	(160 days or more)	32
960 to 1279	(120 days to 159 days)	24
640 to 959	( 80 days to 119 days)	16
Up to 640	(Up to 80 days)	8

An employee who has elected to go on educational leave of absence upon returning from leave shall have the right to any open vacancy in a classification not filled per ARTICLE IX, Section 9, if any, or to replace the least senior employee in the plant in line with their seniority providing they have the skill and ability and physical fitness to perform the work of the classification

# Section 6. Family and Medical Leave

Eligible employees may be entitled to up to a total of 12 weeks of unpaid leave during a twelve-month period under the provisions of the Federal Family and Medical Leave Act. The Company will comply with all aspects of the Federal Family and Medical Leave Act when administering this Article X, Sec 6 – Family and Medical Leave and will administratively manage Family and Medical Leave as spelled out in Company Policy # HR 1.15 – as last revised on 03/01/2014.

# ARTICLE XI HOURS OF WORK AND OVERTIME

Section 1. The Workweek.

- A. Except for those employees covered by B and C of this section, the workweek shall begin at 12:01 a.m. Monday and shall consist of seven (7) consecutive 24hour periods.
- B. The workweek of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall consist of seven (7) consecutive 24hour periods beginning with their regular starting time on Sunday.
- C. The workweek for employees on continuous operations (to be defined locally) shall consist of seven (7) consecutive 24hour periods.

# Section 2. The Workday.

- A. The workday shall be the consecutive 24hour period coinciding with the calendar day; provided, however when an employee's shift extends over into the next calendar day, all hours worked on that shift shall be deemed to have been worked on the calendar day on which such shift began (except for those employees covered by B hereof).
- B. The workday of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall be the consecutive 24hour period beginning with their regularly scheduled starting time and in the case of any such employee, where there is a conflict between the calendar day and his workday, the workday shall prevail.

### Section 3. Shift Schedules.

(Local Supplements 180, and 807)

- A. When one shift is needed, the hours normally shall be from 7:00 a.m. to 3:30 p.m. with a half hour designated meal period.
- B. When two shifts are needed, the hours normally shall be as follows: from 7:00 a.m. to 3:30 p.m. for the first shift with a half hour designated meal period; and from 3:30 p.m. to 12:00 Midnight for the second shift with a half hour designated meal period.
- C. When an operation is scheduled on a three shift basis, the hours normally worked are as follows:
  - (1) If the employee is assigned to a machine or equipment that is manned the other two shifts.

1st Shift 7:00 A.M. to 3:00 P.M. 2nd Shift 3:00 P.M. to 11:00 P.M. 3rd Shift 11:00 P.M. to 7:00 A.M.

Such employees shall work seven and seven tenths (7-7/10ths) hours on each shift with an 18-minute lunch period and be paid for eight (8) hours.

When an employee's weekly work schedule continues into the sixth and/or seventh work day, the aforesaid 18minute lunch period is applicable on these days in the same manner as had been applied during the regular work week.

(2) If the employee is not assigned to a machine or equipment manned on the other two shifts.

1st Shift 7:00 A.M. to 3:30 P.M. 2nd Shift 3:30 P.M. to 12:00 A.M. 3rd Shift 10:30 P.M. to 7:00 A.M.

- D. The work schedule for certain employees, because of the nature of their duties, may deviate from the above normal shift schedule.
- E. Should it become necessary in the interest of efficiency or during emergency periods to establish schedules departing from the normal shift schedules, the Company will notify the Union in writing and will discuss such changes with the bargaining committee before the change is made.

## Section 4. Time and One-Half Payments.

Time and one half will be paid for all time worked:

- A. Over eight (8) hours in any one workday.
- B. Over forty (40) hours in any one workweek.
- C. On Saturday, except for an employee on continuous operations who will be paid time and one-half for all time worked by him on the sixth (6th) consecutive day of his workweek.
- After a break in an employee's workday which is caused by the Company sending him home and recalling him during that workday.
- E. Overtime or premium payments under this Section 4 or Section 5 will not apply if employees are placed on an alternative work schedule (e.g., 4-10 or 3-12 schedule). In such case, overtime or premium payments will be paid in accordance with the rules governing that alternative work schedule.

### Section 5. Double Time and Time and One Quarter.

- A. Double time will be paid for work performed on Sunday except in cases of:
  - an employee scheduled to begin his workweek on or after 10:30 p.m. Sunday night,

- (2) an employee on continuous operation who will be paid double time for all time worked by him on the seventh (7th) consecutive day of his workweek
- **B.** Employees working on seven day continuous operations, such as, the power house will be paid time and one quarter for work performed on Sunday.

# Section 6. Shift Changes

During any one workweek in which an employee is scheduled by the Company to work on another shift and such transfer was not requested by the employee, said employee will receive time and one-half for work performed within the 24hour period commencing with the starting time of the shift from which he was transferred. If the employee requests such transfer, he will not receive any overtime even though he worked more than eight (8) hours during said 24hour period. Shift changes will normally take place at the beginning of a workweek, in which event there will be no overtime paid due to the shift change.

# Section 7. No Pyramiding.

The payment of overtime for any hour excludes that hour from consideration for overtime payments on any other basis.

### Section 8. Overtime Distribution.

(Local Supplement)

## Section 9. Report-in and Callback.

- A. An employee who reports for work when he has not been notified in advance that there is no work available shall be paid for not less than four (4) hours at his regular rate, as set forth in the applicable wage schedules, provided he is not assigned to other work. Those employees so reporting and placed on other work shall be paid the rate established for the job they perform on such temporary assignment, or their regular rate, whichever is higher. This clause does not apply when work is not available due to an occurrence beyond the Company's control, such as fire, flood, or other weather conditions, explosion, power failure, or work stoppage in violation of Article V.
- B. Any employee called back to work after having completed his work assignment for the day or outside of his regularly scheduled hours for the week shall be paid a sum not less than four (4) times his regular hourly rate as set forth in the applicable wage schedules. Such part of the four (4) hours worked shall be paid at the appropriate overtime rate, and the unworked time shall be paid at straight time.

# Section 10. Holiday Pay.

A. During the term of this Agreement, the following calendar dates shall be considered holidays:

### 2016-2017

Monday	May 30, 2016	Memorial Day
Monday	July 4, 2016	Day scheduled as Independence Day
Monday	September 5, 2016	Labor Day
Thursday	November 24, 2016	Thanksgiving Day
Friday	November 25, 2016	Day After Thanksgiving Day
Friday	December 23, 2016	Day celebrated as Christmas Eve
Monday	December 26, 2016	Day celebrated as Christmas Day
Tuesday	December 27, 2016	Christmas Shutdown
Wednesday	December 28, 2016	Christmas Shutdown
Thursday	December 29, 2016	Christmas Shutdown
Friday	December 30, 2016	Day celebrated as New Year's Eve
Monday	January 2, 2017	Day celebrated as New Year's Day
Monday	January 16, 2017	Martin Luther King Day
Friday	April 14, 2017	Good Friday

### 2017-2018

Monday	May 29, 2017	Memorial Day
Monday	July 3, 2017	Day before Independence Day
Tuesday	July 4, 2017	Day scheduled as Independence Day
Monday	September 4, 2017	Labor Day

Thursday	November 23, 2017	Thanksgiving Day
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Friday November 24, 2017 Day After Thanksgiving Day

Monday December 25, 2017 Christmas Day

Tuesday December 26, 2017 Christmas Shutdown

Wednesday December 27, 2017 Christmas Shutdown

Thursday December 28, 2017 Christmas Shutdown

Friday December 29, 2017 Day celebrated as New Year's Eve

Monday January 1, 2018 New Year's Day

Tuesday January 2, 2018 Day After New Year's Day

Monday January 15, 2018 Martin Luther King Day

Friday March 30, 2018 Good Friday

#### 2018-2019

Monday	May 28, 2018	Memorial Day
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Wednesday July 4, 2018 Independence Day

Monday September 3, 2018 Labor Day

Thursday November 22, 2018 Thanksgiving Day

Friday November 23, 2018 Day After Thanksgiving Day

Monday December 24, 2018 Christmas Eve

Tuesday December 25, 2018 Christmas Day

Wednesday December 26, 2018 Christmas Shutdown

Thursday December 27, 2018 Christmas Shutdown

Friday December 28, 2018 Christmas Shutdown

Monday December 31, 2018 New Year's Eve

Tuesday January 1, 2019 New Year's Day

Monday January 21, 2019 Martin Luther King Day

Friday April 19, 2019 Good Friday

### 2019-2020

Monday May 27, 2019 Memorial Day

Thursday July 4, 2019 Independence Day

Friday July 5, 2019 Day After Independence Day

Monday September 2, 2019 Labor Day

Thursday November 28, 2019 Thanksgiving Day

Friday November 29, 2019 Day After Thanksgiving Day

Tuesday December 24, 2019 Christmas Eve

Wednesday December 25, 2019 Christmas Day

Thursday December 26, 2019 Christmas Shutdown

Friday December 27, 2019 Christmas Shutdown

Monday December 30, 2019 Christmas Shutdown

Tuesday December 31, 2019 New Year's Eve

Wednesday January 1, 2020 Day celebrated as New Year's Day

Monday January 20, 2020 Martin Luther King Day

Friday April 10, 2020 Good Friday

### 2020-2021

Monday May 25, 2020 Men	norial Day
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Friday July 3, 2020 Day scheduled as Independence Day

Monday September 7, 2020 Labor Day

Thursday November 26, 2020 Thanksgiving Day

Friday November 27, 2020 Day After Thanksgiving Day

Thursday December 24, 2020 Christmas Eve

Friday December 25, 2020 Day celebrated as Christmas Day

Monday December 28, 2020 Christmas Shutdown

Tuesday December 29, 2020 Christmas Shutdown

Wednesday December 30, 2020 Christmas Shutdown

Thursday December 31, 2020 New Year's Eve

Friday January 1, 2021 Day celebrated as New Year's Day

Monday January 18, 2021 Martin Luther King Day

Friday April 2, 2021 Good Friday

#### 2021-2022

Monday May 31, 2021 Memorial Day

Monday July 5, 2021 Day scheduled as Independence Day

Monday September 6, 2021 Labor Day

Thursday November 25, 2021 Thanksgiving Day

Friday November 26, 2021 Day After Thanksgiving Day

Friday December 24, 2021 Christmas Eve

Monday December 27, 2021 Day celebrated as Christmas Day

Tuesday	December 28, 2021	Christmas Shutdown
Wednesday	December 29, 2021	Christmas Shutdown
Thursday	December 30, 2021	Christmas Shutdown
Friday	December 31, 2021	New Year's Eve
Monday	January 3, 2022	Day celebrated as New Year's Day
Monday	January 17, 2022	Martin Luther King Day
Friday	April 15, 2022	Good Friday

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- B. Any one of said holidays will be paid for irrespective of the day of the week on which the holiday falls. Except as provided in paragraph E below, pay for such holidays shall be on the basis of eight (8) hours at the employee's average straight-time hourly earnings for the week preceding the week in which the holiday falls. The day before New Year's Day, New Year's Day, Christmas Day, and the three other days of the Christmas-New Year's shutdown earnings shall be the same as those used for the day before Christmas Day. To qualify for holiday pay, the employee must have:
  - 1) Completed his probationary period.
  - Worked on his last regular workday before and his next regular workday after the holiday, except as provided otherwise in C, D, and F below.
- C. Absence due to a death in the immediate family to include: spouse, child, parent, step-parent, brother, sister, half-brother, half-sister, son-in-law, daughter-in-law, current spouse's parent, current spouse's grandparent, brother-in-law, sister-in-law, grandchild, adopted child, stepchild, grandparent, and birth of a child in the immediate family.
- D. An employee will be entitled to holiday pay if he is absent the day before the holiday for one of the reasons set forth below, provided he does work in the workweek in which the holiday falls or during the workweek immediately prior thereto and returns to work as soon as possible.
  - Laid off due to a reduction in the work force.
  - 2) Absence due to an established illness or injury.
  - 3) Entrance into the military service.
  - 4) Jury Duty.
  - 5) One of the PAA days provided for in Article XII, Section E.
  - 6) Absence authorized in writing by the Company

E. An employee who is laid off in the first, second, third, or fourth workweek prior to the week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

An employee who works in the fifth, sixth, or seventh workweek prior to the week in which the Christmas Holiday period begins, and who is laid off during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

- F. In the event the Company schedules a plant wide vacation shutdown during a holiday week, an employee absent on vacation during such week will have the option of receiving holiday pay if otherwise qualified or an additional PAA day. If the employee elects an additional PAA day it must be taken during the PAA scheduling year.
- G. When work is performed on a holiday, the employee will be paid double time for the hours worked plus his holiday pay if otherwise qualified.
- H. In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional day off with pay.
- I. If an employee files for, and collects, unemployment compensation for days that the employee received holiday pay during the Christmas holiday shutdown period, the amount of the unemployment compensation payment received by that employee will be "carved out" and deducted from the employee's holiday pay. If the Company does not find out about the unemployment compensation payment until after the employee receives the holiday pay, the amount of the unemployment compensation received by that employee will be deducted from future paychecks. In such case, the employee will execute the appropriate wage deduction amortization form.

# ARTICLE XII VACATIONS

# Section 1. Vacation Time Off and Pay.

A. Employees who have worked a minimum of eighty (80) days during the year prior to June 1, will be elig ble for a vacation with pay. Employees entitled to full vacation will receive vacations with pay on the following basis:

Years of Service

Weeks of Vacation

### As of June 1

Less than 1 year	Prorated per B.
1	1
5	2
15	2 ½
25	4

For employees with fifteen (15) years of service:

- Effective June 1, 2016, increase vacation from two and one-half (2 1/2) weeks to two weeks and three days
- Effective June1, 2017, increase vacation from two (2) weeks and three (3) days to two (2) weeks and four (4) days.
- Effective June 1, 2018, increase vacation from two (2) weeks and four (4) days to three (3) weeks
- B. Vacation pay will be computed for the 40, 80, 100, 120, 140 or 160 hours, whichever applies, as follows:

160 or more days worked*	full vacation pa
120 through 159 days worked*	75% vacation pay
80 through 119 days worked*	50% vacation pay

Five, seven, fifteen, twenty, twenty-five, and thirty-year employees under Section 1-A of this article who qualify for only 50% vacation pay will be allowed 4, 5, 7, 8, 9, or 10 days vacation time off, respectively.

Days lost from work due to an industrial injury for which Worker's Compensation Benefits have been paid will be considered as days worked for vacation eligibility as follows:

- (1) Must have performed work in the vacation year.
- (2) Must meet all other eligibility requirements for vacation as stated in this section.
- (3) Credit will be given for such lost time days up to a maximum of five (5) in any one work week, provided these would have been days the employee would have normally been scheduled to work.
- \* Days worked during the year preceding June 1. Paid vacation days, holidays and PAA for which pay was received will be considered as days worked.
- C. Vacation pay shall be computed on the basis of an employee's average straight time hourly earnings (excluding overtime and shift premium) during the first three (3) months of the calendar year in which his vacation falls.

- D. Employees otherwise eligible for vacation pay who have no earnings during this period shall have their vacation pay computed on their average straight time hourly earnings for the period between April 1 and June 1. Employees otherwise eligible for vacation pay who have no earnings after January 1 shall have their vacation pay computed on their average straight time hourly earnings during the last two (2) weeks of their employment. Two (2) weeks will be the minimum amount of time used in the computation of an employee's straight time hourly earnings.
- E. An employee who is reemployed following completion of service in the Armed Forces of the USA will be eligible for vacation during that vacation year as provided in Section 1. Military service will be construed as days worked to meet the eligibility requirements of Section 1.B, provided the employee has worked some part of that vacation year with the Company.
- G. During the vacation season an employee eligible for one or more weeks of vacation may take up to his maximum elig bility in individual days upon making advance request of thirty (30) days prior to said vacation.

## Section 2. Vacation Assignments.

- A. Vacation assignments shall be made by the Company in a manner which will insure the orderly and efficient continuation of production, but the Company agrees to give, whenever poss ble, the desired Vacation Time indicated by the employees on the basis of their seniority. An employee may elect to take vacation pay in lieu of time off for vacation entitlement in excess of two weeks with management approval. If he/she prefers time off for vacation entitlement in excess of two weeks, the Company will schedule such time and if poss ble will assign him/her the week he/she prefers.
- B. Except as provided in A above and in cases of pensioners who are entitled to vacation pay, an employee must actually take his vacation in order to receive his vacation pay. All vacation assignments by the Company shall be made within the vacation year period of June 1 through May 31. Vacations are noncumulative from year to year.

# Section 3. Terminated and Deceased Employees.

- A. Employees who retire under the pension plan who have worked 160 days or more pursuant to this, Section 1-B, are eligible for full vacation even though their retirement date occurs prior to June 1. Those employees who retire under the pension plan who do not meet the 160 days worked requirements shall receive pro rata vacation pay based on the number of months worked since the previous June 1.
- An employee whose seniority is terminated and who upon termination had five (5) or more years of service with the Company who is eligible for vacation under Section 1 of this Article, and has

worked at least 160 days during the vacation year, shall be eligible for prorated portion of his vacation pay, based on the number of months worked since the previous June 1, and the remaining Paid Absence Allowance hours balance for which he is eligible under these plans.

- 2. Any employee with less than five (5) years of service who provides two week's written notice of resignation and who works that twoweek period who is eligible for vacation under Section 1 of this Articles and has worked at least 160 days during the vacation year. shall be eligible for prorated portion of his vacation pay, based on the number of months worked since the previous June 1, and the remaining Paid Absence Allowance hours balance for which he is eligible under these plans. An employee with less than five (5) years of service who does not satisfy this two-week notice and work requirement, and other employees with less than five (5) years of service who terminate for any other reason shall not be elig ble for vacation payout. Employees whose seniority is terminated will be eligible for the remaining Paid Absence Allowance Hours balance for which they are eligible under these plans, unless such termination is under Article IX, Section 4, (2) or (3).
- C. If an employee otherwise elig ble dies before his vacation, or paid absence allowance days are taken, his vacation, including any applicable remaining paid absence allowance hours balance shall be paid to the surviving spouse, children or parents, in that order of precedence. Notification of the above will be provided to the Union. Accrued vacation shall be paid as in paragraph B above.

# Section 4. Employees Transferred into the Bargaining Unit.

Employees of the Company, not in the bargaining unit, transferred into the bargaining unit shall receive service credit for vacations for unbroken employment service they had accumulated prior to being transferred into the bargaining unit.

### Section 5. Scheduled Plant Shutdown for Vacations.

A plant shutdown for vacations will not commence before June 1 and it will not extend beyond the end of the last week in August which is one full calendar week before Labor Day, unless there are important business reasons for extending the vacations to the end of August in which event such extension will be discussed with the Union. The Company will post the vacation notice by the first of May each year. The Company may not change a vacation notice after May 1, except by mutual agreement.

In addition, employees who have not been scheduled to work such shutdown may not be required to work due to schedule changes past the thirtieth (30<sup>th</sup>) calendar day preceding the beginning of the shutdown. Employees who worked in the classification and were scheduled to work but left the classification for any reason may still be required to work the shutdown period.

### Section 6. Paid Absence Allowance.

- A. An employee with at least one (1) year of seniority as of June 1, each year will be granted up to thirty-two (32) hours of absence between June 1 and the subsequent May 31. The foregoing absences must be requested at least one (1) working day in advance and must be approved by the supervisor. Pay for such absence will be made at the employee's hourly rate (excluding shift premium (plus current cost-of-living for days on which he would otherwise be scheduled to work. Such absences shall be taken in individual increments of not less than four (4) hours.
- B. An employee absent from work because of illness, which except for the waiting period would entitle him to weekly disability benefits, may elect to have one or more full days of such absence treated as eight (8) hours of absence under this provision.
- C. An employee who is absent from work on a scheduled work day without approval defined in paragraph A of this section may request pay for such absence which will be granted if and to the extent he is elig ble for such pay. The granting of such pay will in no way imply that his absence was or was not for a reasonable or satisfactory reason, nor will it imply any waiver of the employee's obligation to make a reasonable and satisfactory effort to have notified the Company prior to such absence.
- D. At the employee's option the Company will pay for the unused Paid Absence Allowance as follows:
  - At the end of the last pay period in February, hours over twenty-four (24).
  - 2) At the end of the last pay period in March, hours over sixteen (16).
  - 3) At the end of the last pay period in April, hours over eight (8).
  - 4) At the end of May, the remaining hours, if any.

# ARTICLE XIII WAGES

# Section 1. General Principles.

The parties agree and they subscribe to the principle of "a fair day's work for a fair day's pay" and recognize that pegging of production is not consistent with such a principle.

### Section 2. Schedule of Rates.

Attached to each Local Agreement are schedules of rates.

### Section 3. Application of Schedule.

- A. Newly hired employees shall be paid at the starting rate of the classification to which they are assigned as noted in the schedules attached to each Local Agreement.
- B. Employees shall be paid for time worked in a classification at the rate for that classification, except as specifically provided otherwise in this Agreement.
- C. When the Company temporarily assigns a non-incentive (Day Rate) employee to another non-incentive (Day Rate) classification the employee will receive the hourly day rate of the classification and labor grade from which he was transferred or the hourly day rate of the classification and labor grade to which he is assigned, whichever of these rates is higher.
- D. A temporary assignment is one where, upon its completion, the employee will return to his former assignment; it is not requested by the employee; it is not a transfer at the time of a reduction in the work force of a classification or department; it is not made because the employee is unable to perform the job; and, it does not include assignments of an employee who is assigned to a job to which he is regularly or periodically assigned.
- E. Temporary assignments shall not exceed sixty (60) consecutive working days unless employees so assigned are willing to accept an extension beyond the sixty (60) days.
- F. Work normally done in the tool room, experimental department or in the maintenance department, which are assigned to be produced on regular production machines by regular production machine operators will be paid for at the minimum rate of the appropriate classification in the tool room, experimental department or maintenance department.

# Section 4. New or Changed Classifications.

- A. When significant changes occur in the job content of any classification or any additional classifications are necessary in the wage schedule of each Local Agreement, the classifications shall be rated or rerated, as the case may be, to conform with similar classification rates in these schedules. Notices of such changes shall be given to the Union when they are made effective.
- B. Grievances regarding the rating or rerating of classifications may be handled in accordance with the grievance procedure. In the event a grievance arises, all of the known facts shall be made available to the parties dealing with the grievance.

# Section 5. Cost-of Living.

Each employee covered by this Contract shall receive a cost of-living allowance as set forth in this Section.

Except as otherwise provided in paragraph (c) herein, the cost of living allowance (presently accumulated and future increases) shall not be added to the wage rate for any classification, but only to each employee's straight time hourly earnings.

The cost of living allowance shall be taken into account in computing overtime premium, vacation pay, bereavement pay, holiday pay, jury pay, paid absence allowance and military encampment unless otherwise provided in this Agreement.

The amount of cost of living allowance shall be determined and redetermined as provided below on the basis of the Consumers Price Index for Urban Wage Earners and Clerical Workers (Including Single Workers) (CPIW) published by the Bureau of Labor Statistics, United States Department of Labor (1967 = 100 revised) and referred to herein as the "Index". Continuance of the cost of living allowance shall be contingent upon the availability of the Index in its present form, and calculated on the same basis as the Index for March, 2010, unless otherwise agreed upon by the parties. Beginning with the Price Index for January 1987, the CPIW was revised to reflect the updated expenditure weights based on data from 19821984 Consumer Expenditure Surveys and minor changes in the updating of the market basket. If the Bureau of Labor Statistics changes the form or the basis of calculating the BLS Consumer Price Index set forth herein, the parties agree to request the Bureau to make available for the life of this Agreement a monthly Consumer Price Index in its present form and calculated on the same basis as the index for March 2010.

### A. Cost of Living Adjustment

- Article XIII, Section 5 shall be suspended for the life of this Agreement.
   There shall be no cost of living adjustment during the term of this Agreement.
- In the 2022 contract renewal negotiations the parties must then negotiate and agree upon whether COLA will resume or whether the suspension of COLA will continue.
- 3. In the 2022 contract renewal negotiations, if the parties agree to resume COLA, a new table shall be constructed at that time. If the parties agree to resume COLA, employees shall start COLA equal to zero(\$0.00) as of June 2022, and the new COLA shall be calculated as set forth in Article XIII, Section 5, A.2 of the 2010 Agreement.

#### B. COLA Allowances

 For all employees hired prior to May 3, 2004, including all skilled trades employees regardless of hire date, the current COLA allowance ("float") is eight dollars and fifteen cents (\$8.15). This COLA allowance shall be applied as follow:

- a. For skilled trades employees, the eight dollars and fifteen cents (\$8.15) COLA allowance shall be folded in to the current Schedule 1-B of Wage Schedule 1 in the second full pay period after written notice is received that this Agreement has been ratified. Current and future skilled trades employees shall be paid from Schedule C of Wage Schedule 1. Consistent with A, above, there shall not be any future accumulated COLA during the term of this Agreement.
- b. For all non-skilled trades employees hired prior to May 3, 2004 the current COLA allowance of eight dollars and fifteen cents (\$8.15) shall be folded in to Wage Schedule 1-A, Schedules A and B on the first Monday after written notice is received that this Agreement has been ratified. Consistent with A, above, there shall not be any future accumulated COLA during the term of this Agreement.
- 2. For all employees hired after May 2, 2004, the current COLA allowance ("float") is eighty- eight cents (.88). All eighty-eight cents (.88) of the current COLA float shall be folded in to the Wage Schedule 1, Schedules A and B on the first Monday after written notice is received that this Agreement has been ratified. Consistent with A, above, there shall not be any future accumulated COLA during the term of this Agreement.

### C. COLA Payout

- Employees Hired Prior To May 3, 2004 (and all skilled trades employees, regardless of hire date)
  - a. On February 7, 2022, these employees will receive a lump sum payment equal to three percent (3%) of Qualified Earnings (as defined in the Letter of Agreement Re: Annual Lump Sum Payments for Employees hired prior to May 3, 2004) in calendar year 2021. This lump sum payment shall be a gross amount and will have subtracted from it the required statutory, legal, judicial and contractual deductions.

Eligible employees shall be as set forth in paragraph A of the Letter of Agreement.

- Employees hired after May 2, 2004 (excluding all skilled trades employees, regardless of hire date.
  - a. On February 7, 2022, increase the wage rates in Schedule 1-A of Wage Schedule 1 by seven and one-half percent (7.50%).

### Section 6. Shift Premiums.

- A. Employees regularly working on the second shift shall receive a premium of forty (40¢) per hour and fifty-five (55¢) per hour for the third shift for each hour worked.
- B. For the purposes of this Section, second shift shall be any shift regularly starting from 12:00 Noon up until 7:00 p.m., the third shift shall be any shift regularly starting from 7:00 p.m. up until 1:00 a.m.

# Section 7. Pay Day

Under normal situations, wages shall be paid on Friday of every week via electronic deposit. Employees will be required to complete the proper paperwork provided by the Company to allow for electronic deposit. Check stubs will be provided through an electronic method. If employees don't have access to that electronic method, a kiosk will be provided at the plant. The intention is to implement this no later than January 1, 2017.

# ARTICLE XIV GENERAL PROVISIONS

# Section 1. Non-Unit Employees.

It is the Company's policy to discourage non-unit employees from performing unit work. Non-unit employees shall not perform production, experimental or maintenance work, except instructing in the work classifications covered by this Agreement to the extent it could affect the jobs available in the bargaining unit.

### Section 2. Bulletin Boards.

The Company will maintain the bulletin boards now provided for the Union and which may be used by the Union for the posting of Union business notices. The Company will continue to provide literature racks under the arrangements presently in effect.

# Section 3. Safety and Health.

A. The Company is committed to protect the health and safety of all of its employees, and shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment.

Management has assigned respons bility for carrying out the various aspects

of the health and safety program and the Union will actively participate and cooperate with management in the program's implementation.

### B. Central Safety Committee

The Company and the Union will establish a Central Safety Committee consisting of two representatives from the International Union to be appointed by the Director of the Union's Agricultural Implement Department and two representatives of the Company to be appointed by the Company. Each party will appoint at least one member of its Committee who has professional training in Safety and Industrial Hygiene.

The functions of this Committee will be to:

- meet as required at a time and place mutually agreeable to the parties.
- review the Company's Safety and Health Program and make necessary and desirable recommendations.
- establish a system to encourage and recognize the professional development of Joint Local Health and Safety Committee/Team members.
- provide to the Joint Local Health and Safety Committees/Team, at no cost to them, health and safety training as required; the topic and timing to be determined by the Co-Chairs of the Central Safety Committee with input from the Joint Local Health and Safety Committee. The Central Committee will insure that Joint Local Health and Safety Committee/Team Members have or will receive training in the following areas: Accident Investigation, Noise Control, Machine Guarding, Lockout, Confined Space Entry, Toxicology, Industrial Hygiene, Ergonomics, Fall Prevention, Ventilation and Review of New Equipment and advanced, national health and safety issues.
- review and analyze Local, State and Federal regulations relating to Health and Safety.
- review problems that are presented by the Joint Local Health and Safety Committee/Team make necessary and desirable recommendations.
- analyze data from the monthly safety reports and OSHA Form 300 and have special tests conducted where needed.
- discuss poss ble areas for cooperative research efforts regarding workplace hazards.
- minutes of the meetings will be given to the Central and Joint Local Health and Safety Committees/Team.
- submit its recommendations in writing to the appropriate Joint Local Health and Safety Committee(s)/Team following any joint meeting.

### C. Joint Local Health and Safety Committees/Teams

CNH America, LLC and the UAW recognize the role and responsibility of the Joint Local Health and Safety Committee/Team to serve as a technical resource and consulting team to the Local Management and Union. The parties further recognize the need for the professional development of the Local Union and Management representatives; therefore, the Joint Local Committee/Team Co-Chairs will mutually identify and make available necessary and appropriate health, safety and ergonomics training in addition to that scheduled by the Central Safety Committee. The Company will cover expenses associated with this training.

Joint Local Health and Safety Committees/Team will be established in each bargaining unit (refer to Local Supplements). Each such Committee/Team will consist of representative(s) appointed by the Company and appointed, elected or volunteered representative(s) of the UAW. The Company representative(s) shall include the Plant Safety Supervisor, a member of either the Plant Engineering or Maintenance Department and one other representative of management. The Joint Local Health and Safety Committees/Teams shall meet once each month to:

- Consider and make recommendations for the correction of conditions considered to be unsafe, unhealthy or unsanitary based upon plant inspections and employee observations. Copies of such recommendations will be furnished to the appropriate Company representatives and appropriate actions/ completion dates will be discussed.
- Consider and make recommendations on obtaining complete salaried and hourly employee cooperation with the enforcement of safety and accident prevention rules and program guidelines.
- Review OSHA Form 300, results of industrial hygiene surveys, Material Safety Data Sheets, employee complaints, local safety and health education programs, photographs taken of accidents and/or hazardous conditions, and the written progress report made by the Plant Safety Supervisor regarding recommendations made at previous Safety Committee/Team meetings.
- Request, take, or assist in taking noise measurements, air contaminant and air flow readings using the recording devices and smoke tubes made available by the plant. Copies of the results to be given to the Union and posted in the Plant.
- Request, surveys of air quality and other industrial hygiene surveys.Copies of the results to be given to the Union and posted in the Plant.

- Monitor health and safety programs such as Fall Prevention, Contractor Safety, Confined Space Entry, Noise Abatement, and Ergonomics and make recommendations to insure proper implementation.
- Take an active role in reviewing, recommending and presenting local safety education and information programs and employee job-related safety training (e.g., hazard communication, lockout, accident investigation, confined space, etc., as required).
- 8. The Joint Local Health and Safety Committee will participate in the development of new employee safety orientation and training programs.

Minutes of the Committee/Team meetings shall be taken by one of the Company members, and made available to the designated local Union Health and Safety Committee Representative.

The minutes of the regular meetings will provide information and details to the Central Safety Committee for use in its evaluation and assistance in working with the specific problem areas relating to the plant.

The Union Joint Local Health and Safety Committee/Team Chairman, or his designee, may accompany an OSHA inspector on an official plant inspection tour.

The Joint Local Union Health and Safety Committee Representative will be notified of the visit to the plant of a Company Safety and Health expert working on a specific Health and Safety Project and will be afforded the opportunity to meet and discuss with him the purpose and/or results of his work.

The Joint Local Health and Safety Committee/Team may request the services of the Joint Central Safety Committee to review health and safety areas and specific problems at any time.

### D. Union Access to Facilities or Information

The Company will provide access, upon reasonable notice, to Company plants and locations to health and safety representatives of the International Union. Such representatives may be accompanied on premises by Company representatives and the designated Joint Local Union Health and Safety Committee representative. Upon request, reports on such surveys will be provided to the Company.

The Company agrees to allow access to the Union Members of the Joint Local Health and Safety Committee/Team to reference material available to the Plant Safety Supervisor and other information such as Material Safety Data Sheets, accident reports, results of environmental and noise tests, injury and illness data, photographs, plant safety goals and corporate programs and policies. Such information is provided to the Union to assist it in performing its health and safety representational functions under the contract. Disputes that

arise regarding disclosure of such information will be referred to the Central Committee for resolution.

The Company has established in each plant a file of Material Safety Data Sheets (MSDS) using Dept. of Labor form LSB-005-4 or any other equivalent form. MSDS sheets have been prepared for every chemical used in the plant. The MSDS file will be made available to the Joint Local Health and Safety Committee/Team.

### E. Employee Access to Information and Records

Whenever an employee's personal exposure to a potentially hazardous material is measured, the results will be provided to the employee and a copy placed in the employee's medical file.

The Company will provide to employees who are exposed to harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests at a frequency and extent necessary to determine whether the health of such employees is being adversely affected.

If a medical examination or test is given to an employee by the Company discloses any abnormal conditions, the employee shall be informed of said conditions and shall be given a copy of any written opinion or recommendation made by the doctor.

Upon written request by the employee, the Company will make available to the employee and/or the employee's doctor all medical records (including X-rays) relating to the examinations, tests or in plant injury or occupational illness at no cost to the employee.

#### F. Injury Reporting and Accident Investigation

Employees must report to their supervisor/facilitator any injury suffered so proper treatment can be administered by the First Aid Department or doctor. The Company shall promptly make adequate provision for first aid, hospital care, and ambulance service as necessary.

The supervisor/facilitator will be involved in the investigation of all OSHA recordable injuries and, if it is determined that the injury was caused by an equipment malfunction, the investigation will be completed prior to another employee being assigned to that machine.

Prior to investigating an OSHA recordable injury, the Plants Safety Supervisor will notify the designated Local Union Joint Safety and Health Committee Representative of the injury and afford him the opportunity to participate in such investigation and request appropriate photographs of the incident.

The Plant Safety Supervisor will promptly give a copy of the investigation report to the designated Joint Local Union Health and Safety Committee

Representative. That report will be reviewed at the next regularly scheduled meeting.

### G. Personal Protective Equipment

The protective safety equipment which will be provided by the Company is set forth below. All personal protective equipment provided by the Company will continue to be of safe design and construction. Employees must wear the personal protective equipment, and use the protective devices and other safety equipment designed to protect them from injury and illness.

### Eye Protection Program.

The Company will provide prescription and/or non-prescription safety glasses to all employees starting their employment with the Company. All employees are required to wear approved safety glasses in the course of their employment. When safety glasses are damaged in the course of an employee's work, they will be replaced at no cost to the employee by the Company. For prescription safety glasses, the employee will provide the Company with a copy of their prescription and assume the cost of such prescription. When a correction is required in the employee's prescription, the cost of replacement prescription safety glasses will be assumed by the Company. The replacement cost of prescription safety glasses lost or damaged by improper care by the employee will be at the expense of the employee, unless two years have elapsed from the date of the last issue of prescription safety glasses.

### Foot Protection Program.

The Company will provide toe clips or guards to all employees starting employment with the Company. All employees are required to wear prescr bed foot protection in the course of their employment. The Company will make approved safety shoes available to the employee for purchase. A supplement of \$25.00 will be paid toward the purchase of a pair of metatarsal guarded shoes. Two (2) pair per year will be supplemented. When metatarsal-guarded shoes are required to comply with OSHA, the Company will provide employees with metatarsal-guarded shoes from the Company approved suppliers or vendors in accordance with the requirements of OSHA. The employee must turn in the used pair of shoes and a receipt to receive reimbursement for the new pair of metatarsal-guarded shoes. Any employee removing a guard from a shoe is subject to normal disciplinary action. This provision is not intended to reduce the Company's responsibility, in any way, under the OSHA Standard 1910.136

### Miscellaneous

Personal protective equipment, devices and clothing, which are required or are necessary for particular work assignments, shall be provided and furnished by the Company. (Refer to Local Supplements for specific personal protective equipment.)

Personal protective equipment furnished to employees except for prescription glasses, must be returned to the Company when terminating employment. The cost of such equipment not returned in usable condition will be deducted from the employee's last pay check, except for those items returned in unusable condition due to normal wear and tear.

Personal protective equipment that is damaged as a result of a workplace injury will be replaced at company expense.

### H. Lost Time Payment

An employee who receives an in plant injury which requires a visit to a hospital or doctor in or out of the plant will be paid the appropriate applicable hourly day rate for the time lost, or the balance of the shift, whichever is shorter, provided the employee returns to the job promptly if able to return to work; provided however, that such payment shall be made only on the day the injury occurs or on the day that the injury is first reported.

### I. Health and Safety Dispute Resolution

Written grievances involving Safety that have been reviewed in the "second step" may be referred to the Local Safety Committee/Team. The remaining steps of the grievance procedure are also available for those grievances.

It is the desire of the parties that problems and questions relating to Health and Safety should be resolved through the use of these Safety Committees/Team by the parties without referral to government agencies.

The Company will utilize all applicable Health and Safety regulations (Federal, State, and Local) including but not limited to (i.e. Fall Prevention, Noise, Respiratory, Lock-Out/Tag-Out, and Hazardous Material Review and Reduction regulations) as a minimum guideline.

### J. Fall Prevention

The Company will continue to apply its comprehensive fall prevention program. Hazardous tasks will be prioritized and plans for control measures will be developed and implemented. The programs guidelines, which will constitute a base line, or benchmark, will be distributed to each facility. The Local Health and Safety Committee/Team will review the program and, based on that facility's operations, may make recommendations.

### K. No Hands in Die/Protection Program

The Company is committed to the Safety and Health of all employees, regarding power press and press brake safety. During this agreement the Company will strive to achieve a No Hands in Die application and where this is not feas ble, it will ensure point of operation devices such as brake monitors,

barrier guards, light guards, or simultaneous and concurrent activated twohanded controls are utilized and maintained in working condition.

For those operations which require employees to place their hands or arms into the die area, power presses will, where feasible, be additionally equipped with safety devices to prevent the press ram from cycling or falling, while the employees are loading and unloading into the die area.

Press brake operations will incorporate safety methods, procedures, tools, devices, or combination of these to achieve pinch point protection.

The parties agree to consult with recognized experts in the field of power press safeguarding to identify potential areas to improve employee protection.

### L. Abattement Programs

### Noise

The Company will continue to develop and implement feasible engineering controls in an effort to eventually eliminate the use of hearing protection. Where feasible, the Company is committed to purchasing equipment or machinery that will further the noise reduction objective. The Joint Local Health and Safety Committee/Team will receive copies of any noise surveys conducted in that facility that year and review the most recent noise abatement plan. The Joint Local Health and Safety Committee/Team may make recommendations after reviewing this information.

### Respirators

The Company will provide pulmonary function tests as deemed necessary by the Company Medical Director.

The Company will proceed with such pulmonary function tests for welders and foundry employees.

The Company will continue to experiment with new and innovative welding procedures and/or equipment.

The Company will review with the Local Safety Committee/Team the respirator abatement program currently in effect, and those it is planning to undertake. The Company will supply this information to the Local Safety Committee/Team in writing with the understanding that the Local Safety Committee/Team will have an opportunity to discuss the respirator abatement program with the Company and make recommendations designed to improve upon it.

### M. Lockout Program

There shall be an effective lockout program in each plant, which shall include:

- machine specific lockout procedures
- the dissemination of lockout procedure information (it is the Company's intent to post lockout procedures where written lockout procedures have been established pursuant to OSHA Standard 1910.147); the Joint Local Health and Safety Committee/Team will review written procedures and make recommendations where the information is incomplete.

### - compliance inspections

The Company will review with the Local Safety and Health Committee/Team the machinery and equipment lockout program currently in effect, as well as any modifications to the program when made. The Company will supply this information in writing with the understanding that the Local Safety and Health Committee/Team will have an opportunity to discuss the program and make recommendations designed to improve upon it.

### N. Ergonomics

The Company has implemented and will maintain a comprehensive ergonomics program. The elements of the program and implementation time table will be reviewed periodically with the Central Committee and each Joint Local Health and Safety Committee/Team.

Where feasible, engineering controls will be the primary method of reducing cumulative trauma risks and administrative controls will be used pending the installation of any feas ble engineering controls.

### O. Hazardous Material Review and Reduction.

Effective control of hazardous materials protects the employees of CNH America, LLC as well as the environment in the surrounding communities. The Company will continue reducing its use of hazardous materials where feas ble. This program will be reviewed periodically with the Joint Local Health and Safety Committees/Teams. The Local Union Health and Safety Committee/Team Chairman will be provided with advance information on hazardous materials which affect the health and safety of UAW members and be given an opportunity to participate in the review and make recommendations

### P. Contractor Safety Program.

The Company will establish a Contractor Safety Program at each facility, which will include guidelines on pre-qualification, site inspections and enforcement procedures. The draft program will be circulated among members of the various Plant Safety Committees/Teams for review and recommendations.

### Q. New and Modified Machinery and Plant Rearrangement

Where feasible, health and safety issues (such as ergonomics) should be considered at the early stages of process development or machinery acquisition. Accordingly, engineers involved in such projects should be knowledgeable or receive training in ergonomics, health and safety hazard analysis and the Company's related specifications for machinery acquisition. Whenever possible, the Company will provide advance notice to the Joint Local Health and Safety Committee/Team of significant acquisitions of new equipment and machinery or layout changes which may adversely affect the health and safety of employees.

### R. Preventive Maintenance

The Company will establish and implement preventive maintenance programs in areas that affect employee health and safety. The Joint Local Health and Safety Committee/Team will periodically monitor these programs.

### S. Industry Research Projects

Where feasible, the Company will continue its participation in relevant research projects conducted within industry for the prevention and elimination of work place hazards.

### T. (Local Supplement)

U. The apprenticeship committee at each local plant will make provision for health and safety training for apprentices.

### V. Working Alone

The Company will continue to apply its working alone policy. This policy provides guidelines on the assignment of employees, highlight special hazards and recommend rules, procedures and safeguarding systems for the elimination or control of these hazards.

### W. Union Liability

The International Union, Local Unions, Union and Joint Local Health and Safety Committees and Union members of such Safety Committees/Teams and Union officials, employees and agents shall not be liable for any work-connected injuries, disabilities, diseases, deaths or loss resulting there from which may be incurred by employees of the Company or its subsidiaries or by third parties while on Company property. This is not intended to, and does not, increase the Company's liability in such cases beyond its' normal exposure, if any (i.e., Worker's Compensation).

## Section 4. Group Insurance And Pension.

A. The group insurance plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.

### B. Insurance Claim Review

The Company recognizes the importance of resolving Group Insurance Claim disputes. In order to facilitate the resolution of disputes a LOU dealing with the subject has been made a part of the group insurance manual.

- C. The pension plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.
- D. All disputes or claims arising under or relating to the pension plan shall be processed pursuant to the provisions of the pension plan and shall not be subject to the grievance procedure set forth in Article VII.

### Section 5. Supplemental Unemployment Benefit Plan.

The Company and the Union agree in principle on the desirability of providing income protection for employees in periods of layoff through supplemental unemployment benefits. The supplemental unemployment benefit plan will provide protection for employees of the Company. It will be known as the "Supplemental Unemployment Benefit Plan," and is made a part of this Agreement and attached hereto as a Central Supplement.

### Section 6. Designated Break Period.

- A. A specified period for the first shift from 9:00 a.m. to 9:10 a.m.; second shift from 5:30 p.m. to 5:40 p.m.; and third shift from 1:00 a.m. to 1:10 a.m. will be designated as a luncheon period. It is understood and agreed that this designated luncheon period will not become a part of any allowances or segments of time for Direct (Incentive) classifications.
- B. An employee will be provided with an additional ten (10) minute break when working ten (10) or more hours. The additional ten (10) minute break will be scheduled between the start of the seventh hour and the start of the ninth hour.

## Section 7. Jury Service Pay.

Any employee who has completed his probationary period and who is summoned and reports for jury duty in a court of record (including coroner's juries) or who is required by law to appear and does appear for examination by a jury commission prior to such jury service will be reimbursed by the Company for each day on which he performs such jury duty and on which he would otherwise have been scheduled to work, in accordance with the succeeding provisions of this section:

- A. If he is absent for his entire shift because of such jury duty, he will be paid the difference between his jury duty and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury service.
- B. If he performs such jury duty and works on the same day, he will be paid the difference, if any, between his actual earnings for that day plus the jury pay received and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury duty.
- C. Time paid for but not worked will not be counted as hours worked for purposes of overtime. Reimbursement to an employee under this section shall be payable only if the employee (i) gives the Company prior notice of his summons for jury duty, (ii) presents evidence satisfactory to the Company that jury duty was performed on the day or days for which such reimbursement is claimed, and (iii) when released or excused from such duty returns to work promptly.
- D. An employee who is subpoenaed for court appearance and is not the plaintiff or defendant, will be paid for such time lost in the same manner as outlined above for jury duty. If an employee is excused from jury service more than five (5) hours after the applicable start time of the first shift employee or less than three and one-half hours prior to the applicable start time of the second shift employee, he will not be required to return to work that day. A third shift employee will be excused from work on either the shift immediately preceding the start of his jury service, or the shift immediately following the completion of his jury service. This is at the option of the employee; however, he must notify his immediate supervisor prior to being absent, and it is not for both the day preceding jury service and the day following jury service.

# Section 8. Bereavement Pay.

A. When death occurs in an employee's immediate family: spouse, child, parent, step-parent, brother, sister, half-brother, half-sister, current spouse's parent, grandparent, current spouse's grandparent, grandchild, adopted child, stepchild, or a still born child, brother-in-law, sister-in-law, an employee, on request, will be excused for any three (3) normally scheduled days of work (or for such fewer days as the employee may be absent) during the three (3) days (excluding Saturdays and Sundays) immediately following the date of death, provided he attends the funeral. In the event of a memorial service or delayed funeral, the requested days off (for which an employee meets the qualifications under this Article) need not be consecutive but must not extend beyond the day following such memorial service or funeral. A Sunday funeral which is held at a distant location where travel may be required on Monday, will be treated the same as a delayed funeral and such Monday travel day will be considered as an excused day.

- B. When death occurs to the following relatives of an employee: son-in-law or daughter-in-law, the employee, on request, will be excused from work during the day of the funeral, provided he attends the funeral.
- C. After making written application, the employee shall receive pay for any scheduled days of work for which he is excused (excluding Saturdays and Sundays, or in the case of 7day operations, the sixth and seventh days of the employee's scheduled workweek), provided he attends the funeral. Payment shall be made at the employee's average hourly straight time earnings (including shift premium) for the pay period immediately prior to such bereavement leave. Time thus paid will not be counted as hours worked for purposes of overtime.

### Section 9. Unenforceable Provisions.

In the event that any of the provisions of this Agreement shall be or become invalid or unenforceable by reason of any federal or state law or regulations now existing or hereinafter enacted, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.

### Section 10. Scope of Agreement.

This Agreement disposes of any and all bargaining issues, whether or not presented during negotiations, except with respect to the processing of grievances as provided in Article VII, and shall remain in full force and affect without further change until the expiration thereof.

### Section 11. Mutual Interests.

For the purpose of promoting the mutual interests of both parties and with a view toward bringing about a better understanding with our people and more harmonious relations between the Company and the Union, the Company agrees that before instituting (implementing) any changes affecting the hours and working conditions of its employees, it will notify the Union (in writing where appropriate) except in those situations such as emergencies where time does not permit. In all cases, however, the Company will discuss and explain the reasons necessitating such changes. Nothing in this section is intended to add to or take away any of the rights that accrue to either party under the other sections of this Agreement.

# ARTICLE XV TERMINATION

This Agreement (including both Central and Local understandings) shall continue in full force and effect through April 30, 2022 and thereafter from year to year unless sixty (60) days prior to such date either party gives notice in writing of a desire to terminate this Agreement.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

### CNH INDUSTRIAL AMERICA, LLC

Norwood Jewell Ron McInroy Tim Bressler Kevin Johnson John Drew

John Drew Wes Hogsett Lucas Despain

LOCAL UNION NO. 152 (Burr Ridge) By: Ralph Gaeto Rick Oldham

LOCAL UNION NO. 180

(Racine) By:

By:

Richard C. Glowacki

Jeff Vassh Greg Zunker

LOCAL UNION NO. 807

(Burlington) By: Mik

Mike Edwards Pat Daly By: Ann Daane Brian French Melanie Bish Tom Coogan Bobbi Dyer Dana Fritsche Steve Mangas

BURR RIDGE By: Melanie Bish

RACINE

By: Bryan Lohstreter Jill Dunlop Shane Murray

BURLINGTON

By: Laura Hubbard Valerie Hammond

# **CENTRAL**

# **SUPPLEMENTAL**

# **AGREEMENTS**

and

**EXHIBITS** 

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### **LETTER OF UNDERSTANDING #1**

Re: Agency Shop

In those states where the Union security provisions in the Central Agreement are unlawful, the following provisions concerning Union security shall be in effect for the term of the agreement between CNH America, LLC and the Union dated May 2, 2004 provided they are consistent with applicable law:

### Agency Shop.

Present employees who become members of the Union after the effective date of this agreement and who thereafter fail to retain their membership in the Union, present employees who are not members of the Union, and each new employee who does not become a member of the Union beginning thirty (30) days following the beginning of such employment or the effective date of this agreement, whichever is later, shall as a condition of employment pay to the Union each month a service charge as contribution toward the administration of this agreement and as the representative of such employees. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee, and for each month thereafter, in an amount equal to the Union's regular and usual dues.

### Checkoff.

Upon receipt of and pursuant to a lawful written authorization card from an employee, the Company will deduct from the earnings of the second pay period, which is paid the third week of the month, the amount of money (equaling periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union) equal to that paid by other employees in the bargaining unit who are members of the Union. Such amount of money shall be designated in writing by the financial officer of the Union and in accordance with the Constitution and Bylaws of the Union. The Company will remit said deductions to the official designated for this purpose by the Union.

### Indemnification.

The Union agrees to indemnify and save the Company harmless against any and all claims, demands, or other forms of liability whatever that shall arise out of or by reason of action taken or not taken in connection with this agreement.

Dated: April 30, 2016

# Exhibit #1

# AUTHORIZATION FOR CHECK-OFF OF DUES

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### **LETTER OF UNDERSTANDING #2**

### Re: Annual Insurance Meetings

During the term of this agreement the Company will schedule annual meetings upon request at plant locations which will be attended by the Local Union President, Bargaining Committee Chairman, Local Union Insurance Representative, and representatives of the Plant Human Resources and Insurance Office, and the Corporate Insurance Office to review insurance claim administration if disputes are unresolved. At the request of the Parties, a representative of the carrier will be in attendance at the meeting.

In addition, an annual meeting will be held upon request at which one representative from the UAW Ag-Imp Department and one representative from the UAW Social Security Department and one insurance representative from each plant location will meet with the Company Benefits and Industrial Relations Directors or their representatives, and representatives of the insurance carrier to discuss insurance plan administration.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #3

Re: Conducting Joint Sessions

During these negotiations, we discussed the possibility of conducting joint sessions designed for the mutual benefit of both the Company and the Union. The joint annual Safety and Health, Alcohol and Drug, and EEO sessions were identified as an example.

A joint session may be requested by either party in writing including a proposed agenda, at least thirty (30) days in advance of scheduling the meeting. No more than one (1) joint session will be conducted in any twelve (12) month period.

After these negotiations, it was agreed that further discussions would be held to identify other such joint efforts. Such discussions will also include the number and selection of participants, duration, location of the sessions and other related matters. These sessions may be conducted by conference call, telepresence, or in person. If conducted in person, members of these committees will be compensated for lost straight time hours of work, travel and lodging expenses and reasonable meal expenses, provided a receipt is turned in. Further, the Company will pay tuition fees, if any, as provided to Employee Involvement participants in quality meetings.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #4**

### Re: Employee And Pensioner List

During the life of this agreement, at monthly intervals, the Company agrees to furnish the International Union and Local Union with a list of all employees and pensioners covered by this Agreement together with their addresses as they appear on the Company's records. The Company will periodically make attempts to keep such information accurate. The International Union and Local Union shall retain such information in confidence and only disclose such information to Union officials whose duties require them to have such information.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #5

Re: Equality of Sacrifice

During the current negotiations concerning the economic provisions of the new Agreement, the Union expressed concern that the employees not represented by the UAW contr bute equally to those wage and benefit adjustments necessary to achieve mutual growth and job security.

The Company agrees with the position of the Union that all employees should share equitably in the contributions necessary to achieve that goal. The Company also pointed out that a number of reductions and suspensions in compensation and benefit programs have already been instituted for non-represented employees and, depending on business conditions may be restored and/or resumed.

At the same time, the Company assured the Union that, excluding such restorations and/or resumptions of the programs themselves or the monetary value thereof, should any additional paid holidays or paid time off be granted to employees not represented by the UAW during the term of the Agreement, any such additional paid holidays or paid time off will automatically be applied to employees covered by the Agreement.

Providing general wage increases (including any merit increases, cost of living increases, annual improvement factors) or performance based bonus payments shall also not be covered by or trigger this letter.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #6**

Re: Expedited Arbitration

It is understood and agreed that certain types of grieved matters may lend themselves to a more prompt resolution where necessary proof can be condensed to stipulated facts, documentary evidence and limited testimony, and where the issues involved do not need lengthy, deliberate consideration by the Umpire. In such cases the Company and the Union will cooperate to expedite the arbitration procedure. Written notice of desire to appeal to expedited arbitration must be submitted to the company within five (5) days from the receipt by the Local Union of the Company's Step 3 answer. Wherever it is practical to do so the parties will stipulate the issues and the facts, thereby reducing the time and expense of the trial.

The panel of arbitrators will be contacted to select the arbitrator who has the first available date which is acceptable to the parties.

At the conclusion of the hearing the parties by mutual agreement may waive the filing of briefs and in any event the arbitrator will be urged by both parties to render his decision as soon as possible.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #7**

### Re: Mutual Acceptance

During the 1998 negotiations, the parties discussed at length the matters addressed in the Letter of Understanding Re: MUTUAL ACCEPTANCE which became a part of the UAW-Case collective bargaining agreement in the 1990 negotiations.

In the course of those discussions, the parties were reminded of the Letter's original foundation and purpose. After completing this review, the parties agreed to restate that their position on these matters in order to reaffirm certain principles and to clarify or revise others.

### Mutual Respect

It is acknowledged that contacts between the Company and the Union are based on a relationship of respect, understanding and cooperation. Such respect, understanding and cooperation at the Corporate-International Union level contemplates a continuation of contacts between the parties on items of mutual interest as they arise. Such items include, but are not limited to, any relocation, purchase, or building of facilities that manufacture or warehouse traditional agricultural and/or construction equipment. With regard to its Union relations, the Company committed that in these covered facilities it will conduct itself, as it has in the past, in its relationship with its hourly paid employees who perform traditional production and maintenance functions.

### Neutrality

The Company will maintain a neutral position with respect to both the UAW, and Union representation generally, during any organizing campaign conducted by the UAW and directed toward an appropriate unit of unorganized production and maintenance employees at any majority-owned manufacturing or warehousing facilities which are included in the Company's domestic agricultural and/or construction equipment operations. By a neutral position, the parties mean that they will not directly or indirectly attack or communicate anything of a negative or derogatory nature about the other party or about labor unions or employers generally.

### Procedure For Resolving Representation Questions

If the UAW contends that a majority of the unorganized employees in one of the units described above wish to be represented by the UAW, the Company agrees that it will resolve all questions associated with such contention in accordance with one of the following procedures.

First, the Company may agree to resolve such issue by means of a mutually acceptable procedure for confirming the UAW's contention of majority support which will be conducted by a mutually agreeable third party.

Second, if the Company does not agree to resolve the issue as descr bed above, it agrees that any such issue (including but not limited to issues involving voter eligibility and scope of the appropriate bargaining unit) will be resolved by means of an expedited submission to a mutually agreeable third party who will determine the question of representation by means of a secret ballot election conducted on an expedited basis after the Union produces a 30 percent or more showing of interest. With respect to any issue properly submitted to the third party in accordance with this Letter, the determination by such third party shall be final and binding on the Company and the Union. The Company and Union agree that the third party shall apply NLRB law, the third party will not retain jurisdiction after deciding the question of representation, and the third party shall have no power to alter, change, detract from or add to the provisions of this Letter.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #8**

Re: Negotiations Meetings

It is understood by the Company that time spent by Union Officers and Committeemen in Negotiations Meetings during the present negotiations will be counted as time worked for vacation, holiday, and pension eligibility.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #9**

### Re: Prearbitration Agenda

The parties recognize the importance of resolving disputes without referral to outside agencies or services. In this regard, the parties will meet as described in ARTICLE VII, Section 3A for this purpose. Two (2) weeks prior to the prearbitration meeting the Local Union will submit the grievance numbers and alleged violations to the appropriate International Representatives of the UAW and the Plant Human Resources Manager.

These grievances will be reviewed and processed under ARTICLE VII.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #10**

Re: Prearbitration Schedules

The Company and the International Union agree that its representatives will mutually arrange for meeting a maximum of three times during each contract year at Burlington, and Racine plants to review grievances prior to arbitration.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #11**

Re: Seniority Preference Under Article IX, Section 14, As It Applies To Members Of The Local Union Executive Board

In view of the recent decisions by the National Labor Relations Board dealing with super seniority, the UAW hereby gives notice that the Union will not seek enforcement of the Seniority Preference Clause in the current labor agreement for any Local Union executive board officer other than the President and Vice President, unless such other members of the Executive Board are respons ble for grievance processing and/or on the job contract administration and be in the plant to accomplish their duties directly related to administering the contract.

However, should the NLRB rulings be overturned or modified on appeal, it is the understanding of the parties that, to the extent permitted by such appeal decision, "Seniority Preference" coverage will revert to the provisions currently contained in the respective Central and Local Agreements.

Safety representatives included at Racine (Local 180).

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #12**

### Re: Special Conditions for Reinstatement of Grievances

During the 1980 negotiations, the parties acknowledged the desirability of ensuring prompt, fair, and final resolution of employee grievances. The parties also recognized that of maintenance of a stable, effective, and dependable grievance procedure is necessary to implement the foregoing principle. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and a violation of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee, has reviewed the disposition of a grievance and found that such disposition was improperly affected by the Union or Union representative involved, the UAW - CNH Department will inform the Manager, Corporate Labor Relations in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

Should the Court or an agency (State or Federal) with appropriate authority find that the Union failed to fairly represent an employee, then the International Union and the Director, North American Labor Relations will proceed to establish the procedure for the submission or reinstatement of the complaint or grievance to the grievance procedure.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims arising out of the grievance either that are already barred under the provisions of the Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the grievance procedure, or in any court or before any Federal, State, or Municipal Agency.

Notwithstanding the foregoing, a decision of an arbitrator shall continue to be final and binding on the Union and its members, the employee or employees involved, and the Company. Such grievances shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Central Agreement or appropriate Local Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by an arbitrator or other grievance resolutions.

It is understood this letter and the parties' obligations to reinstate grievances as provided herein can be terminated by either party upon 30 days' notice in writing to the other.

It is agreed that none of the above provisions will be applicable to any case settled prior to the effective date of this letter.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #13**

Re: Special Flood Duty

Those employees who are called up for flood control duty will be paid up to a maximum of thirty (30) days in any calendar year.

The pay provisions and other requirements as stated in Article X, Section 4 (c) and (d) shall apply.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #14**

Re: V-Cap

This letter describes our understanding originally reached during the 1983 negotiations concerning deductions for voluntary political contributions from employee paychecks.

The International Union will furnish the Company, for each employee for whom a deduction is to be made, an Authorization Card signed by the employee containing the following:

- (a) Name and Address
- (b) Plant
- (c) Department Number
- (d) Social Security Number
- (e) Local Union Number
- (f) Dollar/Cents amount to be deducted each period

Cards that cannot be processed will be returned to the International Union for correction.

The Company will make authorized deductions from checks for the third pay period ending in each month, and continuing while the authorization is in effect.

A deduction not made will not be carried forward.

In the month following each deduction, the Company will issue one or more checks (one for each payroll processing unit in existence) payable to UAW VCAP, in care of the International Union, for deductions made in the preceding month. Overpayment to the Union resulting from canceled employee authorizations will be recovered in a subsequent month.

A computer generated magnetic tape(s) listing will also be forwarded which will indicate the name, address, payroll location code, local Union number, department number, full social security number, and the amount deducted for employees whose deductions are included in the check. Year to date deduction totals will be included in the report.

The Company will pay the actual costs of additional setup and programming, of general administration, computer and machine time, and of processing new authorization changes or cancellations.

Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the respons bility of the Union.

The International Union will collect and forward as one transmittal all signed Authorization Cards and Cancellation Cards for the initial processing and for each quarter to Local Management.

An Authorization card that is not revoked by the employee shall continue in effect upon reinstatement to active status in the same bargaining unit provided the employee's record is still being maintained by that payroll department.

The Union will indemnify and hold harmless the Company from any and all liability or claims arising from administrative error resulting from the deductions provided for in this agreement.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #15**

### Re: Striker Replacement

Over the years, CNH Industrial, LLC and the UAW have made a sincere effort to resolve issues through the negotiation process and the grievance procedure. In those instances where, unfortunately, str kes have occurred, CNH America, LLC has, in the interest of our long-term relationship, elected to refrain from continuing production operations by hiring new employees as permanent replacements for str king workers. During those few instances in which a strike has occurred, the UAW recognizes that CNH must continue to protect equipment, facilities and, most importantly, fulfill its commitments to customers

by using salary employees as are available to continue critically necessary operations in an orderly manner.

This course of action by the Company has served the parties well. It has permitted us to address the issues without additional pressure and escalation of the tensions of the situations. Accordingly, it is CNH Industrial, LLC's intent to continue this policy at this time.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #16**

### Re: New Product Launch And Other Related Demand Periods

During the 2010 negotiations, the parties discussed the unusual, but necessary, operational demands that exist when a facility prepares for and/or commences a product launch, development of prototype components or products, or the addition/elimination of a shift caused by such launch. In light of the operational issues accompanying such demand periods and the adverse effect which employee movement and insufficient manning would have on the success of that event, the parties have agreed to the following procedure.

During these periods, the Company will have the opportunity to minimize the effect on an efficient transition by implementing changes such as:

- Limit employee movement related to postings and shift preferences.
- Schedule four additional Saturdays as mandatory overtime, provided that the additional Saturdays shall not be used on consecutive open or non-mandatory Saturdays. This is in addition to the normal contractual allowance for mandatory Saturday overtime
- Work ten (10) hour shifts during the workweek

The duration of these changes will commence with the pre-build and end thirty (30) calendar days after the plant receives the "ok to ship". Mutual agreement is needed between the parties to extend such changes for a duration longer than this period.

To implement the terms of this letter, the Company will notify both the International and affected Local Union, in writing, at least thirty (30) calendar days in advance of the date that the demand period and changes would commence. Such changes would be effective on the specified date.

This process of notification will also be utilized when shifts are added or eliminated.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #17

Re: 4 Day - 10 Hour Schedules

During the 2016 negotiations, the parties discussed the Company's need for increased flexibility in scheduling employees. In recognition of these needs, and notwithstanding the provisions contained in Article XI, Sections 1-6 or any other contract language, side letter or practice to the contrary, the parties have agreed that the Company may schedule employees to work four (4) - ten (10) hour days in a workweek rather than five (5) - eight (8) hour days in a workweek. The following guidelines will govern the application of this Agreement.

- When the Company changes an employee's weekly work schedule, either
  to a 4-10 schedule or back to a 5-8 schedule, it will notify the Union and
  affected employees no later than 30 days prior to the date the new schedule
  will commence
- 2. The 4-10 schedule may be implemented for an employee(s), a crew, a team, cost center, department or all of the unit employees in a plant.
- The 4-10 schedule will be implemented so that individual employees working a 4-10 schedule will work four (4) consecutive days during the otherwise normal workweek (The 4-10 schedule will be either Monday through Thursday and/or Tuesday through Friday).
- 4. (a) When an employee is working a 4-10 schedule, the local rules governing daily overtime shall apply for daily overtime (i.e., if the local rules allow for one (1) hour of daily mandatory overtime, then one hour of overtime will be mandatory under this schedule) on the employee's regular work days (Monday through Thursday or Tuesday through Friday) and for work on the employee's designated fifth workday (e.g., Monday or Friday). (i.e., if the local rule allows for a full shift of eight (8) hours on Saturday, then the employee may be scheduled for nine (9) hours under this schedule, with a proportional rule applying for less than eight (8) hours). All hours in excess of these limits in any workday shall be voluntary.
  - (b) An employee may be scheduled to work on the employee's designated fifth workday (Monday or Friday) in accordance with the local overtime rules at that location (e.g., the local rules governing Saturday work under a 5-8 schedule shall apply to the fifth workday). For Monday work the employee will be notified no later than the end of the employee's shift on the prior Friday. For Friday work the employee will be notified no later than the end of the employee's shift on the immediately preceding Wednesday.

- (c) An employee shall not be compelled to work on Saturday or Sunday (their sixth or seventh workday).
- (d) When an employee is working a 4-10 schedule, such employee will not be required to work overtime on holidays or on the Saturday or Sunday immediately following the Monday through Friday period in which the employee worked the 4-10 schedule. The employee may work any overtime offered to him on these days.
- (e) When an employee is working a 4-10 schedule on a Tuesday through Friday workweek, Monday shall be considered as the fifth day in that workweek. An employee working a 4-10 schedule on a Monday through Thursday schedule shall have Friday designated as the fifth day in that workweek. Employees scheduled to work on the fifth day in their workweek (Monday or Friday) shall receive one and one-half times their straight time rate of pay for all hours worked on such fifth day.
- (f) If an employee is offered and elects to work on Saturday (their sixth workday) they shall receive one and one-half times their straight time rate of pay for all hours worked on the sixth workday.
- (g) If an employee is offered and elects to work on Sunday (their seventh workday), they shall receive two times their straight time rate of pay for all hours worked on the seventh workday.
- 5. Article XI, Section 4(1) shall be modified for employees working a 4-10 schedule. Employees on a 4-10 schedule will not receive overtime premium pay for hours worked in excess of eight (8) up to and including the tenth (10th) hour in the regularly scheduled workday. Hours worked in excess of ten (10) in any one workday will be paid at time and one-half.
- (a) When work is performed on a designated holiday, the employee will be paid double time for the hours worked plus the applicable holiday pay if otherwise qualified.
  - (b) When a holiday falls on an employee's regularly scheduled workday (i.e., the four-consecutive day schedule), the employee will be paid ten (10) hours of pay for the holiday at the appropriate straight time hourly rate of pay.
  - (c) When a holiday falls on one of the non-work days in the workweek (Saturday, Sunday and either Monday or Friday), the employee shall work his normal forty-hour schedule at straight time pay and receive an additional eight (8) hours of pay for the holiday at the appropriate straight time hourly rate of pay.
  - (d) In the event the Company schedules a plant-wide vacation shutdown during a holiday week, an employee absent on vacation during such week will receive eight (8) hours of holiday pay, at the appropriate

- straight time rate of pay, if otherwise qualified, if the holiday falls on a "non-work day" or; if the holiday falls on a "workday" the employee, if otherwise qualified, will have the option of receiving holiday pay or an additional PAA day, as noted in Article XI, Section 10 of the Central Agreement.
- (e) In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional eight (8) hours of holiday pay at the appropriate straight time rate, if otherwise qualified, if the holiday falls on a "non-workday", or if the holiday falls on a "workday" the employee, if otherwise qualified, will receive an additional day off with pay, as noted in Article XI, Section 10 of the Central Agreement.
- 7. Notwithstanding Article XII, Section 6, employees working a 4-10 schedule must use their PAA time in increments of five (5) or ten (10) hours; provided however, that if an employee took four (4) or eight (8) hours of PAA while working a 5-8 schedule or multiples of those, when the employee has less than ten (10) hours of PAA remaining, the employee will be allowed to take such lesser amount on a one-time basis. In addition, PAA hours will be paid off, at the employee's option, as follows:
  - (a) Remaining hours over thirty (30) at the end of the last pay period in February.
  - (b) Remaining hours over twenty (20) at the end of the last pay period in March.
  - (c) Remaining hours over ten (10) at the end of the last pay period in April.
  - (d) At the end of the last pay period in May, the remaining hours, if any.
- 8. Notwithstanding Article XIV, Section 8, when a death occurs in the family of an employee working a 4-10 schedule, the following rules apply:
  - (a) If a death occurs to those relatives listed in Article XIV, Section 8, A, the employee will, upon request, be excused for the three calendar days (excluding Saturdays, Sundays and either Monday or Friday based on the employee's schedule) immediately following the date of death, provided he attends the funeral.
  - (b) If a death occurs to those relatives listed in Section 8, B, and the funeral occurs on one of the employee's four work days the employee, on request, will be excused from work the day of the funeral, provided he attends the funeral.
  - (c) All other rules, conditions, and limitations contained in Section 8 shall apply.

- (d) If the employee working the 4-10 schedule is so qualified and eligible, the employee will receive ten (10) hours of pay for each scheduled day of work for which he is excused.
- Notwithstanding Article XIV, Section 7, when an employee working a 4-10 schedule appears for jury duty on one of his regularly scheduled four working days, the following rules will apply:
  - (a) Except as is specifically stated herein, all other rules, conditions and limitations contained in Section 7 shall apply.
  - (b) When an employee is absent for his entire shift because of such jury duty, he will be paid the difference between the jury duty and ten (10) hours of straight time pay.
  - (c) If he performs work and jury duty on the same day, the employee will receive the difference, if any, between his actual earnings for the day plus jury pay received and ten (10) hours of straight time pay.
  - (d) Employees subpoenaed for court appearances and who are not a plaintiff or defendant will be paid for time lost in the same manner as for jury duty.
- 10. For purposes of qualifying for vacation pay under Article XII, Section 1, C, each ten (10) hour day worked by an employee pursuant to the 4-10 schedule will be counted as one-and-one quarter days worked. This calculation method will be used only for those ten (10) hour days worked while on a 4-10 schedule and will not apply for employees who work ten (10) hours in a day on another schedule.
- 11. If an employee working a 4-10 schedule becomes disabled within the meaning of the Accident & Sickness Benefit Plan, all rules, conditions and limitations contained in such plan shall continue to apply except that for each day of any portion of a disability period which would have been a regularly scheduled workday for that employee and which is less than a whole week, the amount of Weekly Benefit is obtained by dividing the Weekly Benefit contained in the Plan by four.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #18**

Re: 3 Day - 12 Hour Schedules

During the 1998 negotiations, the parties discussed the Company's need for flexibility in scheduling employees. In recognition of this need, and notwithstanding the provisions contained in Article XI, Sections 1-6 or any other contract language, letter or practice to the contrary, the parties have agreed that the Company may schedule employees to work three (3) - twelve (12) hour days

in a workweek rather than five (5) - eight (8) hour days or four (4) - ten (10) hour days in a workweek. The following guidelines will govern the application of this agreement:

- When the Company changes an employee's weekly work schedule under the Letter, either to a 3-12 schedule or back to a 5-8 or 4-10 schedule, it will notify the Union and affected employees no later than the end of the employee's shift on the fifth workday prior to the date the new schedule will commence (e.g., for a Monday change in schedule, notification will occur on the prior Monday).
- The 3-12 schedule may be implemented for an employee(s), a crew, a team, cost center, department or all of the employees in a plant, only after the parties have mutually agreed to implement this schedule for those affected employees.
- 3. The 3-12 schedule will be utilized to provide six (6) day twenty-four (24) hour operations with four (4) complements of employees working fixed consecutive periods of work during the workweek as follows:

Shift	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1		I	I	1	III	Ш	≡
2		II	II	II	IV	IV	IV

Employees scheduled to a 3-12 schedule will work either a Monday-Wednesday or Thursday-Saturday schedule.

Employees will elect among the four (4) work groups based upon seniority in the job classifications affected, except when it would result in an imbalance between experienced and inexperienced workers or other skill and ability requirements.

4. (a) The shift schedule will normally provide for a one-half (1/2) hour overlap:

### Starting & Quitting Times

Shift 1 5:45 a.m. to 6:15 p.m. Shift 2 5:45 p.m. to 6:15 a.m.

Dinner Period

Shift 1 11:30 a.m. to 12:00 noon Shift 2 11:30 p.m. to 12:00 midnight

(b) Where the shifts are established as abutting, e.g.:

Shift 1 6:00 a.m. to 6:00 p.m. Shift 2 6:00 p.m. to 6:00 a.m.

A twenty (20) minute paid lunch will be provided. The Company may change the starting and quitting times set forth in this paragraph 4 with appropriate notice to the Union and affected employees as provided for in Paragraph 1 above.

- 5. Except as provided for in paragraph 8, employees on the 3-12 schedule will receive pay for forty (40) straight time hours during each workweek provided the full thirty-six (36) hour schedule is worked (or vacation, jury, bereavement or holiday payments are paid for the scheduled hours). If fewer than the full thirty-six (36) hour schedule is worked (or paid as noted above), the employee will be paid only for those hours actually worked.
- 6. (a) Except as provided for in paragraph 8, when an employee is working a 3-12 schedule, such employee may not be required to work more than the scheduled twelve (12) hours on the employee's normal workdays nor may the employee be required to work on any other day during the workweek.
  - (b) Except as provided for in paragraph 8, an employee may be offered and accept work on other than his regularly scheduled workdays or work in excess of twelve (12) hours on their regularly scheduled workdays. In such case, and provided that such employee has worked his full thirty-six (36) hour work schedule during the workweek, the first four (4) hours of such work shall be paid at straight time rates. Hours worked beyond twelve (12) on a regular workday or in excess of forty in the week will be paid at time-and-one-half (1-1/2) the straight time rate of pay. Except when it is part of the employee's regular shift hours (either extending into Sunday from Saturday or starting on Sunday as part of his Monday workday) or as stated in paragraph 8, hours worked on Sunday shall be paid at double time.
- 7. Article XI, Section 4, shall be modified for employees working a 3-12 schedule. Employees on a 3-12 schedule will not receive premium pay for hours worked in excess of eight (8) up to and including the twelfth (12th) hour in the regularly schedule workday. Hours worked in excess of twelve (12) in any one workday will be paid at time and one-half (1/2). Employees working a 3-12 schedule will be paid straight time and will not receive premium pay for any hours worked on Saturday or Sunday when such hours are part of that employee's regular 12-hour shift on one of his three scheduled working days.

- 8. The Company may decide that certain operations or areas must operate seven (7) days per week. In such cases the employees working the Monday-Wednesday or Thursday-Saturday 3-12 schedule will alternate in working Sundays to close in the workweek. In such case, the following conditions will apply:
  - (a) As set forth in paragraph 3, the 3-12 schedule will have four crews, identified as I, II, III and IV. On the seven-day schedule, Crews I and II will work the first Sunday and Crews III and IV will work the second Sunday, with the crews alternating thereafter.
  - (b) Employees on a 3-12 schedule who are scheduled to work Sunday on the alternating 4-12 schedule will not receive forty (40) hours pay for thirty-six (36) hours work as stated in paragraph 5. Nor will the thirtyseventh (37th) through the fortieth (40th) hours of work be paid at straight time as provided for in paragraph 6(b). Rather, the employee will receive thirty-six (36) hours pay for his normal 3-12 schedule (i.e., Monday-Wednesday or Thursday-Saturday) and will be paid time-andone-half for the twelve (12) hours worked on the alternating Sunday.
- (a) When work is performed on a designated holiday, the employee will be paid double time for the hours worked plus the applicable holiday pay if otherwise qualified.
  - (b) When a holiday falls on an employee's regularly scheduled workday (i.e., one of the three consecutive twelve (12) hour workdays), the employee will be paid twelve (12) hours of pay for the holiday at the appropriate straight time hourly rate of pay.
  - (c) When a holiday falls on one of the non-workdays in the workweek, the employee shall work his normal thirty-six (36) hour schedule at straight time pay (and pay for forty (40) hours as provided under 5, above) and receive an additional eight (8) hours of pay for the holiday at the appropriate straight time hourly rate of pay if otherwise qualified.
  - (d) In the event the Company schedules a plant-wide vacation shutdown during a holiday week, an employee absent on vacation during such week will receive eight (8) hours of holiday pay, at the appropriate straight time rate of pay, if otherwise qualified, if the holiday falls on a "non-work day" or; if the holiday falls on a "workday" the employee, if otherwise qualified, will have the option of receiving holiday pay or an additional PAA day, as noted in Article XI, Section 10 of the Central Agreement.
  - (e) In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional eight (8) hours of holiday pay at the appropriate straight time rate, if otherwise qualified, if the holiday falls on a "non-workday", or if the holiday falls on a "workday" the employee, if otherwise qualified, will

- receive an additional day off with pay, as noted in Article XI, Section 10 of the Central Agreement.
- 10. Notwithstanding Article XII, Section 6, employees working a 3-12 schedule must use their PAA time in increments of six (6) or twelve (12) hours; provided however, that if an employee took PAA under the 5-8 or 4-10 schedule and has less than twelve (12) hours of PAA remaining, the employee will be allowed to take such lesser amount on a one-time basis. PAA hours will be paid off, at the employee's option, in accordance with the payout table set forth in Article XII, Section 6, D.
- 11. Notwithstanding Article XIV, Section 8, when a death occurs in the family of an employee working a 3-12 schedule, the following rules apply:
  - (a) If a death occurs to those relatives listed in Article XIV, Section 8, A, the employee will, upon request, be excused for up to any three (3) normally scheduled days of work (or for such fewer days as the employee may be absent) during the three calendar (3) days (excluding Saturdays and Sundays unless Saturday is part of that employee's regular three-day workweek) immediately following the date of death, provided he attends the funeral.
  - (b) If a death occurs to those relatives listed in Section 8, B, and the funeral occurs on one of the employee's three work days, the employee, on request, will be excused from work the day of the funeral, provided he attends the funeral.
  - (c) All other rules, conditions and limitations contained in Article XIV, Section 8, shall apply.
  - (d) If the employee working the 3-12 schedule is so qualified and eligible, the employee will receive twelve (12) hours of pay for each scheduled day of work for which he is excused.
- 12. Notwithstanding Article XIV, Section 7, when an employee working a 3-12 schedule appears for jury duty on one of his regularly scheduled three working days, the following rules will apply:
  - (a) Except as is specifically stated herein, all other rules, conditions and limitations contained in Article XIV, Section 7, shall apply.
  - (b) When an employee is absent for his entire shift because of such jury duty, he will be paid the difference between the jury duty and twelve (12) hours of straight time pay.
  - (c) if he performs work and jury duty on the same day, the employee will receive the difference, if any, between his actual earnings for the day plus jury pay received and twelve (12) hours of straight time pay.

- (d) Employees subpoenaed for court appearances and who are not a plaintiff or defendant will be paid for time lost in the same manner as for jury duty.
- 13. For purposes of qualifying for vacation pay under Article XII, Section 1, C, each twelve (12) hour day worked by an employee pursuant to the 3-12 schedule will be counted as one-and-one-half days worked. This calculation method will be used only for those twelve (12) hour days worked while on a 3-12 schedule and will not apply for employees who work twelve (12) hours in a day on another schedule.
- 14. If an employee working a 3-12 schedule becomes disabled within the meaning of the Accident & Sickness Benefit Plan, all rules, conditions and limitations contained in such plan shall continue to apply except that for each day of any portion of a period of disability which would have been a regularly scheduled workday for that employee and which is less than a whole week, the amount of Weekly Benefit is obtained by dividing the Weekly Benefit contained in the Plan by three.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #19**

### Re: Buyout Program, Work Jurisdiction and Elimination of Bargaining Unit

Since the 1993 phase down of operations at the Burr Ridge facility, the UAW represented bargaining unit has not grown. Rather, due to a variety of factors, including the decentralization of work and functional responsibilities, as well as fundamental changes in the scope of work at the Burr Ridge facility, the bargaining unit has continued to shrink. The bargaining unit currently has less than ten employees with no prospect for future growth.

Due to these conditions and, in an attempt to provide these affected employees with a financial payment/incentive that they are not, and would not, otherwise be eligible for, the Company and the Union (both the International and all affected Local Unions) hereby agree as follows:

### **Buyout Program**

The Company and the Union agree to a Voluntary Separation Program for Eligible Hourly Employees. This Voluntary Separation Program is based on the following:

- 1. This VSP is a one-time offer and is available only to eligible hourly employees.
- The terms of this VSP are as set forth in the Plan Document and Summary Plan Description. If there is any dispute or conflict between this LOA and the Plan Document (the "Plan") and Summary Plan Description set forth in the Plan (the "SPD"), the Plan and SPD shall be controlling.

- 3. Eligibility for this VSP shall be limited to hourly employees who are on the seniority list and actively employed at the Burr Ridge facility, (or who are on layoff status at Burr Ridge, or who are on leave of absence pursuant to Article X, Section 2A of the Central Agreement) on April 1, 2010, and who timely and effectively execute the Hourly Voluntary Separation Plan Release (the "Release") and do not later revoke the Release. Employees on the Master Recall List for Burr Ridge are not eligible for this VSP.
- 4. The separation payment for eligible hourly employees is Fifty Thousand (\$50,000) dollars.
- The separation payment shall be paid as a lump sum, less legally required deductions.
- Eligible employees will not receive the separation payment unless and until that
  employee has timely and effectively executed the Release, and any revocation
  periods set forth in the Release have expired without the employee revoking the
  Release.
- The deadline to volunteer for this VSP is April 30<sup>th</sup>, 2016. Elig ble employees
  who elect to volunteer for this VSP can only do so by completing and signing
  the Request to Participate Form and returning that Request to Participate Form
  to the Human Resources Department no later than 5:00 p.m. on April 30, 2016.
- 8. If an elig ble employee timely submits a properly executed Request to Participate Form and the Company accepts that employee's application, that employee will be terminated on the date designated by the Company. The employee must properly execute the Release (and not revoke it) to be eligible for the separation payment.
- 9. Eligible employees who timely return the properly executed Request to Participate Form, and who are accepted by the Company, shall cease to be an employee of the Company, shall be permanently and completely severed, and that former employee shall have no rights (except for vested retirement benefits and the benefits of this VSP), privileges or benefits (including all seniority and recall rights) with the Company. That former employee also recognizes and agrees that the Company shall have no obligation to rehire that former employee and, for this reason, a former employee shall not seek employment with the Company.
- The Company reserves the right, in its sole discretion, to hold an employee beyond the expected termination date if the Company determines that it needs that employee.
- 11. The Company will decide, in its sole discretion, the termination date of each accepted application.

12. If an application is accepted, the applicant must remain actively employed until the termination date set by the Company for that employee. If that employee terminates for any reason (e.g., quit, retirement, death, disability, discharge for cause, etc.) prior to the termination date designated by the Company, such employee shall not be eligible for, and shall not receive, the VSP benefits created by this LOA.

### Work Jurisdiction

The Company and the Union also recognize the work jurisdiction issues that have arisen in the past, and the inherent difficulty attempting to define work that is exclusive to the bargaining unit. In an attempt to minimize or eliminate these work jurisdiction issues, and in exchange for the VSP set forth above, the Company and the Union agree as follows:

- Notwithstanding Article I and Article XIV, Section 1 of the Central Agreement and the Local Agreement, and any other agreement, understanding or practice, non-bargaining unit employees and/or personnel may perform bargaining unit work, without limitation.
- The performance of bargaining unit work by non-bargaining unit employees and/or personnel shall not constitute a violation of the Central or Local Agreements, or any other agreement, understanding or practice. Nor shall such performance of bargaining unit work be subject to the grievance and arbitration procedure.

### **Bargaining Unit**

Consistent with the VSP and the Work Jurisdiction provisions set forth above, the Company and the Union agree that notwithstanding the Central and Local Agreements, any applicable Shutdown Agreement or Master Recall List, and any other agreement, understanding or practice:

- No employee currently on layoff, or on any Master Recall List, shall be recalled to Burr Ridge for any reason or purpose, including an increase in staffing requirements or the replacement of any actively employed employee who terminates for any reason (e.g., VSP, quit, retirement, discharge, death, etc.)
- 2. The Company shall have no obligation to backfill any openings or vacancies created through attrition or increased workload through new hires.
- 3. The Company shall be free to perform any such available work by assigning such work to non-bargaining unit employees and/or personnel.
- 4. When the last UAW represented employee terminates for any reason, the Local 152 bargaining unit shall also terminate and the Union shall no longer have any representation or recognition rights at the Burr Ridge facility. The Central and Local Agreement then in place shall also terminate and no longer apply to the Burr Ridge facility.

The Union hereby waives its right to bargain over this LOA, or any matter contained herein, at any time in the future, including any contract renewal negotiations.

Dated: April 30, 2016

### **LETTER OF UNDERSTANDING #20**

RE: Scheduling of Vacation

Employees must schedule vacation in either twenty (20) or forty (40) hour blocks of time. If a vacation shutdown is scheduled, employees must use a minimum of two weeks of their vacation time during the shutdown. If an employee has vacation time remaining after the shutdown and, notwithstanding the requirement that employees take vacation in either twenty (20) or forty (40) hour increments, an employee on FMLA may take vacation to cover the FMLA absence, even if it is less than a full day but, it must be taken in increments of not less than four (4) hours.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #21

Re: Impact of Temporary Layoffs on Vacation Accrual

During the 2016 Local negotiations, the Company and Union agreed to extend the annual timeframe for temporary layoffs without regard to seniority from thirty (30) days to eighty-five (85) working days. In doing so, the Union expressed concern over the impact this expansion would have on a senior employee's vacation accrual

To address this concern, the parties have agreed that if a particular employee is subject to a temporary layoff, and such employee would not otherwise have been laid off, and such temporary layoff or layoffs exceed thirty (30) days in that calendar year, the days (Monday-Friday) in excess of thirty (30) and up to eighty-five (85) that would have otherwise been workdays shall be counted as days worked under Article XII, Section 1 B for purposes of determining that employee's vacation for the applicable vacation year. Since the vacation accrual year is different from the temporary layoff year, these days may be split up and applied to two different vacation accrual years depending on where these days occurred in the calendar year.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #22**

Re: New Product Launch (2016)

During the 2016 negotiations the parties had extensive discussion regarding the impact on employees during product launches. The Union highlighted situations in which the mandatory overtime provisions were implemented in areas of the plant that were not necessarily impacted by the launch while the Company discussed the fact that employee moves impact all areas of the plant regardless of whether the area was involved in the product launch.

Consistent with the company providing thirty (30) calendar days' notice required by the letter, the company agrees to meet and discuss the impact of the launch on the various departments of the plant and the necessity to implement all elements of the Letter of Understanding – New Product Launch and Other Related Demand Periods in all areas of the plant. At the request of either party, the Director of Labor Relations and/or the Union Service Representative will attend these meetings.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #23**

## RE: Central World Class Manufacturing (WCM) Refocus

This letter will serve as a guideline to the joint re-focus of the WCM journey in the UAW CNH Industries (CNH Industrial) facilities. During the 2016 negotiations, numerous discussions took place regarding WCM in the UAW represented CNH Industrial facilities. Both parties discussed their frustration with the lack of progress in the WCM journey. One topic that became very clear is both parties agree that WCM is the right path for CNH Industrial and the UAW to achieve the highest quality products by utilizing the company's greatest asset, its employees, to their fullest value. The parties agree that focusing on the past will not move WCM forward. To that extent, this re-focus agreement is the guide that will be used to jointly move the implementation of the WCM methodologies and principles towards the goal of becoming World Class.

To accomplish the refocus, the parties have agreed to schedule a meeting as soon as practical to discuss the plant's WCM progress and set a clear agenda on how to create an environment in which all parties actively engage in the WCM journey. Participants of the meeting will be the Local Union, the Local Management, the Vice President of the UAW Agricultural Implement Department and the Vice President of Manufacturing NAFTA and their appropriate staff

members and key leadership from the CNH Industrial WCM Central Organization. The agenda will:

- A review of the last two WCM audits to assess the current status of WCM implementation at the Burlington and Racine facilities;
- Identify the proper role and number of hourly WCM specialists;
- Define a Team Leader training program, responsibilities and requirements.
- Jointly agree on the appropriate use of outside resources such as the UAW Fiat Chrysler Automobile USA World Class Manufacturing Academy (WCMA) in consideration of the benefit/cost ratio
- Selection of WCM Specialist.

Additionally, both the UAW and CNH Industrial have agreed to re-engage key WCM structures that have helped other CNH Industrial facilities, quickly implement and make significant advances in the WCM journey. The parties agree that a plants progress in WCM is enabled through a joint ownership of the progress. This joint leadership will be accomplished through a World Class Manufacturing Steering Committee (WCMSC) that will be made up of three Union Officials and three Company Representatives. The WCMSC will be Co-Chaired by the Union Chairperson and the Plant Manager. The WCMSC will meet monthly with a mutually agreed upon agenda, one (1) week in advance.

The parties agree that having a robust team leader selection process is critical to achieving progress in the WCM journey. To that end, the parties reviewed the UAW FCA Joint Team Leader Selection Training and Procedure Manual Team Based Manufacturing and tailored the document to fit CNH Industrial's organization.

The Team Leader Selection Process will be implemented within ninety days of ratification. All team leaders will be grandfathered into and subject to the new procedure upon implementation. As it relates to UAW current team leaders who had been elected or selected to their team leader position will remain in that capacity until their term ends. At that point, they will continue in their Team Leader role and will be subject to the new guidelines with no re-election. All Team Leaders will be given a copy of the guidelines. New Team Leaders will be paid an additional \$1.00 per hour.

Because of the unique nature of these positions, a team leader's overtime hours will not be counted or considered in determining overtime equalization spread. Team leaders would be held accountable to the limitations on the amount of mandatory overtime that employees may be scheduled. Additionally, because of the amount of time, education, as well as continuity of activities, during times of reductions in force, the employee in these key positions at the time of layoff will be allowed to remain in their existing role provided the employee's seniority is sufficient to keep him/her working within the department.

The parties agree that the pillars with the greatest employee involvement should be prioritized in having WCM Specialists. The plant management will not dictate what pillars will have UAW WCM Specialist nor will the Local Union demand to

have UAW WCM Specialists on all ten pillars. The parties recognize that the utilization of WCM Specialists must result in increasing the speed of WCM implementation. Generally, WCM Specialists should be consistent at both locations. In consideration where to allocate WCM Specialists, the parties must consider the gaps identified in the prior two WCM audits, utilize the prioritization matrices (Cost Deployment Stratification, S-Matrix, QA Matrix, etc.), benefit/cost payback, and other key considerations.

It is very important that all parties keep the WCM Implementation Refocus, and the Grievance procedure separate and neither influences the other. Should the parties experience WCM issues, the WCMSC Co-Chairs will contact both the UAW Agricultural Implement Department and CNH Industrial Corporate Labor Relations to review and give guidance on the issue. If necessary, the parties will seek guidance and advice from the CNH Industrial WCM Central Committee.

Dated: April 30, 2016

## LETTER OF UNDERSTANDING #24

Re: Reasonable Suspicion/Post Accident Drug/Alcohol Test.

During the 2016 negotiations, the parties discussed the Company's concerns regarding the potential liability created by employees who may be under the influence of alcohol or either prescription or illegal drugs while at work.

The Company and the Union recognize that drug and alcohol abuse are major problems in today's society. It is further recognized that drug and alcohol abuse have an adverse impact on productivity, efficiency, job performance and workplace safety. The Company and the Union agree to work jointly toward the resolution of this problem as it affects our work environments. The parties also recognize that the use of any drug (legal or illegal) may adversely affect productivity, efficiency, job performance and workplace safety.

While the use of illegal drugs, or legal drugs obtained illegally or used for an unintended purpose, are prohibited at all times, an employee may be taking legal drugs pursuant to a prescription or an over-the-counter drug for its intended purpose. When an employee is taking a legal drug pursuant to a prescription (including an initial notification for maintenance drugs) or an over-the-counter drug for its intended purpose, and the potential exists that such drug could impact productivity, efficiency, job performance or workplace safety, the employee must inform the Plant Human Resources Manager by phone or in-person prior to reporting for work. The Company reserves the right to send the employee to a Company doctor to determine if the employee can safely return to work. Employees who are allowed to work after informing the Company as set forth above may be later sent home if it is determined that the legal use of that legal drug is causing some impairment as set forth above. Employees who use a legally prescribed drug and do not inform the Company and who are impaired at work will be subject to discipline.

### **DEFINITIONS**

- "Legal Drugs" for the purpose of this Policy are those drugs which have been
  prescribed by a doctor and those over-the-counter drugs that have been
  legally obtained and are being used for the purpose and in the dosage for
  which they are prescribed or manufactured.
- "Illegal Drugs" for the purpose of this Policy means any drug (a) which is not legally obtainable, or (b) which is legally obtainable but has not been legally obtained, including prescribed drugs not being used for prescribed purposes or in the prescribed amounts, or (c) considered a controlled substance and included in schedule I, II, III, IV or V under the Federal Controlled Substances Act 21 U.S.C. 801 et seg.
- 3. "Under the Influence" (a) with regard to drugs means, having concentrations of a drug detectable by scientific test at or above the concentrations set forth in this Policy. Drugs or drug classes covered by this Policy include amphetamines, cocaine, marijuana, opiates, phencyclidine (PCP), MDMA (Ecstasy) and methamphetamines (or a synthetic form of any of these drugs or drug classes) or; (b) with regard to alcohol, means having concentrations detectable by scientific test at or above the concentrations set forth by this Policy.

## **PROHIBITED ACTIVITIES**

The use, consumption, sale, purchase, manufacture, possession, distribution, transfer, or receipt of an illegal drug, or being under the influence of an illegal drug, during working time or at any time while on Company property, in a Company vehicle, in a private vehicle parked on Company property, or otherwise on Company business, is absolutely prohibited.

The use, consumption, sale, transfer, possession, distribution, or transfer of alcohol or being under the influence of alcohol during working time or at any time while on Company property, in a Company vehicle, in a private vehicle parked on Company property, or otherwise on Company business, is absolutely prohibited.

The use, or being under the influence, of any legal drug by any employee during working time or at any time on Company property, in a Company vehicle or otherwise on Company business is proh bited if such use or influence may detrimentally affect the safety of the employee using the legal drug, co-workers, customers, consumers, or members of the public, the employee's job performance, or the safe or efficient operation of equipment, machinery or vehicles. Employees whose use of a legal drug may result in such detrimental effects are required to report such drug use to the Human Resources Manager. Failure to do so may result in disciplinary action, up to and including termination of employment.

### **TESTING FOR DRUGS AND ALCOHOL**

The Company may require any current employee to undergo testing for drugs and/or alcohol under the following circumstances.

1. "Reasonable suspicion" - Testing may be required when the Company has reason to suspect, based upon observed employee behavior or circumstances in which two or more Company representatives reasonably believe that the employee may be under the influence of drugs or alcohol. For the purpose of requiring a drug or alcohol test, "reasonable suspicion" exists if facts and circumstances warrant a rational inference that a person is using and/or is mentally or physically impaired due to being under the influence of alcohol or drugs. Reasonable suspicion testing may be required under the following non-exhaustive circumstances:

Observable behavior or appearance, such as direct observation of use and/or the physical symptoms of impairment resulting from using or being under the influence of alcohol or drugs during working hours, while on Company business, while on Company premises, or while in Company vehicles, in violation of this Policy; or

Circumstances which reasonably suggest that such testing is appropriate, including but not limited to:

- Slurred speech or other speech abnormalities, breath odor, drowsiness or falling asleep during working time, or other physical appearance, attr butes or behavior suggestive of impairment;
- Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.
- c) A report of alcohol or drug use provided by a reliable and cred ble eyewitness source supported by other observable circumstances which reasonably suggest that testing is appropriate.
- d) Evidence that an employee has tampered with any drug or alcohol test during that person's employment with the Company.
- Evidence that an employee has manufactured, sold, distributed, solicited, possessed, used or transferred drugs while working or while on Company premises or while operating a Company vehicle, machinery or equipment.
- f) Employee admissions regarding current drug abuse;
- 2. "Post-Accident" Effective August 1, 2016, when the employee is involved, by action or omission, in an accident which results in any person's death or injury to any person (including the employee), which injury, if suffered by an employee, could require a record or report under OSHA or state law, or in damage to property, in an amount reasonably estimated at the time of the accident to exceed one thousand dollars (\$1,000). A reported cumulative trauma injury is not considered an accident and will not result in testing.

3. **"By Agreement" -** As a condition of any agreement between the Company and the employee.

### **TESTING PROTOCOL**

- Company will provide the employee or applicant with a list of the drugs to be tested. The employee or applicant will have the opportunity to provide information which may be relevant to the test, including drugs or medications used or other relevant information.
- Such drug/alcohol test will be conducted on site (by a test administrator from a certified lab, or by a certified test administrator) or at a lab (which has been certified by the DHHS), or if the employee is in the hospital, by the hospital or lab.
- 3. The Company will pay for the test.
- 4. Samples for drug tests will be collected by a test administrator and will be checked for temperature, volume and specific gravity.
- 5. Samples for drug tests will be collected using a "split-sample" method, which means the sample is split and saved in two containers to facilitate re-testing. The sample used for the screen is referred to as the "original sample;" the sample which may be sent to a second laboratory for re-testing is referred to as the "split sample."
- 6. Samples which test positive for the presence of drugs on the initial screen may, at the employee's election, be subject to a confirmation test. Initial and confirmation test report results must indicate the test method used. The initial and confirmation test for drugs must use a different chemical process.
- 7. An employee has the right to a re-test of the split sample, at his/her own expense, by another laboratory (which has been certified by the DHHS), provided the employee informs the Company, in writing, within seven (7) calendar days of receiving notice of the verified positive test of his/her intent to do so. If the re-test of the split sample is negative, this shall negate the original positive test and the initial positive shall not be held against the employee.
- 8. All samples which test positive, whether an original sample or the split sample, will be retained by the testing laboratory for one (1) year.
- 9. If an employee refuses to submit to the test, or if the employee delays in appearing for the test, provides an adulterated or substitute sample, or, in any other way, interferes with or obstructs the validity of the test or the provision of a sample, the employee will be deemed to have failed the test.
- 10. The employee will timely sign any release or waiver required by the testing facility. If the employee refuses to timely sign any release or waiver, the

employee will be deemed to have failed the test and will be subject to immediate termination.

- 11. The drug sample taken by the testing facility may include a specimen of urine, blood, saliva, or any other generally recognized and accepted method, not including hair. The alcohol test sample will be by saliva, breath or blood.
- 12. Prior to an employee being tested, the appropriate Union representative will be notified and be given an opportunity to be present. Testing will not be delayed if a Union steward, or other Union representative, is not immediately available.

## THRESHOLDS/CUTOFF CONCENTRATION

Alcohol concentrations (for breath) are expressed in terms of grams of alcohol per 210 liters of breath.

In the event that an applicable state law changes to legalize mar juana and a cutoff concentration for driving while impaired is established, that cutoff concentration will replace the cutoff concentration in the table below (for the facility located in that state).

	Initial Test	Confirmation Test
Alcohol	.04	.04

All drug cutoff concentrations are expressed in nanograms per milliliter (ng/mL). The table follows:

Initial test analyte	Initial test cutoff Concentration	Confirmatory test analyte	Confirmatory test cutoff concentration
Marijuana metabolites	50 ng/mL	THCA	15 ng/mL.
Cocaine metabolites	150 ng/mL	Benzoylecgonine	100 ng/mL.
Opiate metabolites			
Codeine/Mo rphine	2000 ng/mL	Codeine	2000 ng/mL.
		Morphine	2000 ng/mL.

6- Acetylmorph ine	10 ng/mL	6-Acetylmorphine	10 ng/mL.
Phencyclidi ne	25ng/mL	Phencyclidine	25 ng/mL.
Amphetami nes			
A MP/MAMP	500 ng/mL	Amphetamine	250 ng/mL.
		Methamphetamine	250 ng/mL.
MDMA	500 ng/mL	MDMA	250 ng/mL.
		MDA	250 ng/mL.
		MDEA	250 ng/mL.

If the employee is involved in an accident, evidence of prescription drugs (legally prescribed or illegally used or obtained) will be based on any detectable amount.

## **TESTING PROCEDURES - POST-ACCIDENT**

An employee involved in an accident responsible for notifying his/her supervisor or the Human Resources Department as soon as possible.

Samples for drug tests should be taken as soon as possible following the accident. If the employee does not require immediate medical treatment, the employee will be tested, either on site or off site. If the employee is seriously injured and requires immediate, ongoing medical treatment that prevents the employee from submitting to a post-accident drug and/or alcohol test, the employee is required to provide any authorizations necessary for the Company to obtain hospital reports and other documents or records that would indicate whether or not the employee was under the influence of any illegal drug or any legal drug or alcohol whose use is prohibited by this Policy.

The following actions will be treated as a refusal to submit to a drug and/or alcohol test:

- 1. A failure, without adequate justification, to notify a supervisor in a timely manner of an accident consistent with this policy and plant rules; or
- A refusal by an injured employee unable to submit to the drug and/or alcohol
  test because of necessary medical treatment to provide the required
  authorizations for hospital reports and any other relevant medical records.

The Company reserves the right to suspend an employee, with or without pay, pending the results of a post-accident test. If the suspension is without pay and the test result is negative, the employee will be paid for the days missed.

### **TESTING PROCEDURES - REASONABLE SUSPICION**

Supervisors and other Company officials will be trained to identify actions, behavior and appearance factors which indicate that an employee is under the influence of drugs and/or alcohol.

If the Company has a reasonable suspicion that an employee is under the influence of drugs and/or alcohol, it shall:

- 1. Immediately remove the employee from her/his job duties;
- 2. Offer Union representation to the employee;
- 3. Escort the employee to the testing site (on or offsite) and return them to the plant following the test;
- 4. Attempt to arrange home transportation for the employee. If the only transportation available is a taxi or other transportation, the employee will incur the cost of such. If the employee insists on driving his or her own vehicle home, the Company will notify the appropriate legal authority that there is an unsafe driver on the road.

The Company reserves the right to suspend an employee, with or without pay, pending the results of a reasonable suspicion test. If the suspension is without pay and the test result is negative, the employee will be paid straight-time pay for the days missed.

#### DISCIPLINE

Employees are prohibited from using, consuming, selling, purchasing, manufacturing, possessing, distributing, transferring, or receiving an illegal drug or alcohol while on Company property, in a Company vehicle, in a private vehicle parked on Company premises, or otherwise on Company business, or if in violation of the Rules of Conduct of this Policy.

An employee will be immediately disciplined, as set forth below, if the employee is involved in an accident and the post-accident drug/alcohol test has a positive result, or if the employee is tested pursuant to reasonable suspicion and the drug/alcohol test has a positive result.

The Company at all times reserves the right to take disciplinary action against the employee for violation of any Company policies, procedures or rules (whether or not caused by alcohol or drug use), and to enforce performance standards.

Any employee who is under the influence of any legal drug whose use is prohibited by this Policy and the use of that drug was not reported to management is subject to discipline, up to and including termination.

Any employee who refuses to submit to a drug and/or alcohol test required in accordance with this Policy will be immediately terminated.

A First positive test will result in:

- A thirty (30) day suspension; and
- Mandatory referral to the Employee Assistance Program; and
- Evaluation by a professional counselor and successful completion of the course of treatment recommended by the counselor; the employee must sign a release authorizing the counselor to speak to the Company and provide any information of documents requested; and
- Random testing; no more than twelve (12) times as determined and scheduled by the Company for twelve (12) months; and
- Conditional Return to Work Letter

A second positive test, at any time after the first positive test, (subject only to Article VIII, Section E), or other violation of this policy, will result in termination.

The Drug/Alcohol Policy does not, in any way, affect the right of the Company to take disciplinary action against an employee, where appropriate, for violation of other general Company policies, procedures and/or rules.

# **STATE LAW**

Where applicable, the Company will comply with any state law regarding drug or alcohol testing for the Company employees who work in that state.

Dated: April 30, 2016

## LETTER OF UNDERSTANDING #25

Re: CNH Attendance Policy - UAW Employees

## 1. SCOPE

UAW - Production and Maintenance Workers.

#### 2. INTRODUCTION

Reporting to work is an integral and essential function of every employee's job. To achieve ongoing operating requirements, a consistent number of employees must be available to work each scheduled work day. The following guidelines will be administered in compliance with the Americans with Disabilities Act (ADA), Family Medical Leave Act (FMLA), state disability and leave laws, and Worker's Compensation statutes.

#### 3. ELIGIBILITY

A. Eligible Full-Time Hourly Employees

B. Ineligible: Probationary Hourly Employees, Supplementals

# 4. **DEFINITIONS**

#### A. Occurrence

Any single or partial day of absence during a scheduled work day. In the event of employee illness, any single or partial day of absence during a scheduled work day or consecutive days of absence attr butable to the same illness e.g., sick with the flu on Monday and Tuesday is considered one occurrence. Scheduled work days include scheduled overtime days. (Local Supplement – Local 180)

#### B. Lateness

Any single occurrence of lateness during a scheduled work day.

A lateness 2 hour or less: ½ occurrence providing the employee has called his/her supervisor 30 minutes prior to the beginning of the employee's shift using the notification procedure designated for their location to let them know they will be late, otherwise it will be a full occurrence.

Any lateness over 2 hours: Is a full occurrence.

#### C. Active Rolling 12-month Period:

The period used to determine the rolling 12 months will be extended by the number of days of absence, excluding Vacations, PAA Days, Holidays, Jury Duty, or Bereavement. For example, if an employee is absent from work for a 3-month period that was due to an illness, the rolling 12-month period will be extended for an additional 3 months for the purposes of assessing an employee's attendance standing. In all cases, the date of the occurrence will be used to determine the rolling 12-month period.

### 5. **DISCIPLINE**

An employee will be disciplined in accordance with the schedule set forth below based upon the number of occurrences accumulated within an <u>active</u> 12-month rolling time frame:

- 1) 4th occurrence documented verbal warning
- 2) 5<sup>th</sup> occurrence documented written warning
- 6<sup>th</sup> occurrence documented FINAL written warning. Employees reaching this level of discipline will be provided with Employee Assistance Program (EAP) information during the discipline meeting.
- 4) 7<sup>th</sup> occurrence documented 5 -day suspension
- 5) 8th occurrence documented discharge for excessive absenteeism.

Employees who receive 1 ½ occurrences as a result of an absence and a failure to call-in for the same absence, will be advanced to the level of discipline applicable to their total number of occurrences as stated above, which may result in issuing multiple discipline steps at the same time.

Employees may be issued multiple steps of discipline, if prior to the Company issuing discipline, the employee incurs additional occurrences that warrant the next step of progressive discipline. An exception to this is that an employee will not be discharged for excessive absenteeism prior to receiving a documented 5-day suspension.

Newly hired hourly employees are under a probationary or orientation period. If the probationary employee is late or absent without sufficient reason, as determined by the Company, in its sole discretion, the employee will be subject to immediate termination without the benefit of the progressive disciplinary steps set forth in this policy.

#### 6. RESPONSIBILITIES

#### Employee

 Before the start of the shift, the employee must use the notification procedure designated for their location to notify of any unscheduled absence or lateness. Calls made on behalf of an employee by a spouse, family member or friend are not acceptable except in the case of an

- emergency medical situation which renders the employee incapable of providing the required notification. When reporting off, the employee must include their name, reason for reporting off and a return phone number in case the supervisor needs to call them back.
- If an employee does not call in an unscheduled absence/tardy at least 30 minutes prior to the start of the shift, the employee will be assessed a 1/2-point occurrence in the Attendance Policy, whether or not the absence/tardy is permitted under policy.
- If an employee is absent for three consecutive days without properly notifying the Company, the employee's seniority will be terminated pursuant to Article IX, Section 4, unless circumstances made it impossible for the employee to properly notify the Company.
- 4. The employee must submit a completed Attending Physician Statement for absences of three (3) or more consecutive days to the facility medical department or Human Resources before returning to work except in those circumstances beyond the control of the employee. The Company may, in its sole discretion, request a Physician's Statement for absences of any duration, based on the employee's attendance record. This does not exclude the employee from consideration for discipline.
- An employee will be required to provide medical documentation in accordance with the Short-Term Disability Plan and the Family and Medical Leave Act Policy.

Absences excluded from this policy are the following:

- 1. Approved Vacation
- 2. Jury Duty
- 3. Approved Excused Time Off PAA with proper notice.
- 4. Military Leave
- 5. Work Not Available
- 6. Holidavs
- 7. Bereavement Leave
- 8. Disciplinary Suspension
- 9. Approved Personal Leave of Absence
- 10. Occupational Illness or Injury
- 11. Approved Family Medical Leave Act Absences

# Coordination with ADA - Reasonable Accommodations

Reasonable accommodations will be made for employees with work restrictions as required by the Americans with Disabilities Act (ADA) or other pertinent laws. All requests for accommodations must be documented and handled by the medical department, when available, or by Human Resources, in such a manner as to protect confidentiality.

Dated: April 30, 2016

# Letter of Understanding #26

# **RE: Emergency PAA Days**

During the 2016 negotiations, the parties discussed emergency situations when an employee may not be able to provide 24 hours' notice to request a PAA day. In an effort to address these unique situations, the parties have agreed to the following process to request an "emergency" PAA day.

Employees with less than seven (7) attendance occurrences on their record may request an "emergency" PAA day that will not count as an occurrence under the UAW Attendance Policy. "Emergency" PAA day requests need to be made at least 30 minutes prior to the start of the shift and are limited to one per calendar year. "Emergency" PAA requests will be granted as long as the employee meets the criteria established above.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #27**

Re: S.U.B. Benefits During Vacation Shutdown

During the 2016 negotiations, the parties discussed the vacation shutdown language in Article XII, Section 5, as well as the practice, which require an employee to save all of their vacation for any vacation shutdown scheduled by the Company. Under that language and practice, if an employee does not have enough vacation eligibility (and vacation weeks) to cover the vacation shutdown period, the employee may receive S.U.B. benefits, if otherwise eligible, for the weeks of shutdown not covered with vacation.

In the 2016 negotiations, the Company agreed to modify the language and practice on vacation shutdowns to provide that if the Company schedules more than two (2) weeks of vacation shutdown, an employee must only save, and use, two (2) weeks of vacation during the vacation shutdown. If such employee has more than two (2) weeks of vacation, that employee has the option of using his vacation in excess of two (2) weeks during the Company scheduled vacation shutdown or scheduling his vacation in excess of two (2) weeks at some other time outside the vacation shutdown period.

Dated: April 30, 2016

#### LETTER OF UNDERSTANDING #28

Re: Apprenticeship Affirmative Action

The Company and the Union agree that the Joint Apprenticeship Committee at each plant shall, following these negotiations, meet to consider methods and/or procedures for advancing the apprenticeship selection of minorities. The parties agree that measures of "Affirmative Action" should be considered in such selection. Each Joint Committee is urged to undertake such discussions recognizing the social respons bilities of both parties for minority advancement in the community where the plant is located, the rights of nonminority employees and the company's need for qualified apprentices and skilled trades employees.

The implementations of any new procedures or techniques at each plant shall be by mutual agreement and any agreements which modify, amend, or conflict with the negotiated apprenticeship or skilled trades agreement must be reduced to formal written amendments signed by the parties.

If at any time during the life of this Agreement, the parties fail to reach mutual agreement as provided above and thereafter the Apprenticeship Program falls below required minority levels, the Central EEO Committee will direct the Joint Apprenticeship Committee to adjust its selection procedure.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #29**

#### Re: Apprentice Rate

Apprentices in each of the job classifications covered by this Agreement shall be paid in accordance with the schedule of hourly rates, plus COLA, as follows:

#### % of Maximum Skilled Trades Wage Schedule

Enter up to 1,000 hours	75%
1,000 to 2,000 hours	78%
2,000 to 3,000 hours	81%
3,000 to 4,000 hours	84%
4,000 to 5,000 hours	87%
5,000 to 6,000 hours	90%
6,000 to 7,000 hours	93%
7,000 to 8,000 hours	96%

Seniority employees entering the program shall enter at the 84% rate or the appropriate wage schedule day rate of his classification whichever is less. In no event will any apprentice start at a rate lower than the 75% level noted above.

Apprentices currently in the program will not experience a reduction in rates as a result of the foregoing agreement.

Dated: April 30, 2016

## LETTER OF UNDERSTANDING #30

Re: Cutter and Tool Grind Training Program

Each Plant Human Resources Manager will discuss the feasibility of implementing a training program for the classification GRIND, Cutter and Tool, and if determined feas ble, implement this program.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #31**

Re: Proof of Journeyman Status

The Company will fulfill requests from the Union to provide documentation on Company letterhead to verify work experience and employment for employees who are attempting to secure Journeyman status through the UAW International Skilled Trades Department.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #32**

Re: Skilled Trades Tools

Any skilled trades employee who breaks or damages beyond acceptable use a tool which he has provided, when such damage occurs as a result of normally accepted use of the tool, will be furnished a replacement tool when he has submitted sufficient proof that the tool in question was, in effect, broken or damaged while on the job.

Company representatives from each location will continue to meet with their respective local skilled trades committeeman to discuss methods of storing Skilled Tradesmen's tools in a secure manner while they are in and away from the plant. The Company will continue its practice of securing Skilled Tradesmen's tools.

In those instances where metric tools are required to be furnished by current skilled trades employees, the Company will make such tools available initially with the employee providing for any future replacements. If the metric system is installed, the Company may convert tools to the metric system, make Company-owned tools available from the tool cr b or replace the employee's present tools.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #33**

# Re: Training on New Machine Tools During Installation

When new machine tools are being installed or substantial new modifications are made to existing machine tools, by the vendor, the vendor's agent or contractor and it is determined that portions of this work would be important to and directly related to future expected maintenance and/or repair functions on such equipment which will be assigned to electricians, machine repairmen or other unit skilled trades personnel, an appropriate unit skilled tradesman will be allowed to observe, train, or participate (at the direction of the vendor's representatives and/or the Company) during that portion of this work for a period needed to acquire the necessary familiarity, or training. It must be understood that there will be times when a vendor is performing work directly related to future maintenance or repairs, that employees will not be able to accompany and train with the vendor due to production needs and the employee's work load.

The Company will provide notice to the appropriate Skilled Trades Committeeman or Steward when vendors, vendor's agents or contractors come into the plant to perform the work mentioned above.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #34**

Re: Skilled Trades Tool Allowance

During the 2016 negotiations, the parties discussed the skilled trades employees and what, if anything, could be done that would assist in attracting and retaining qualified skilled trades applicants and employees. The company will continue its current practice with respect to providing tools to skilled trades employees. Additionally, the parties agreed to provide eligible skilled trades employees with a tool allowance payment.

Eligibility for the tool allowance payment will be limited to employees who are actively working in a skilled trades classification on April 1, 2016 and on April 1 of

each payment year. Payment years shall be 2016, 2017, 2018, 2019, 2020 and 2021. Employees who are not actively working in a skilled trades classification (not on layoff or transfer in lieu of layoff) on the eligibility dates shall not receive the tool allowance payments. The tool allowance payment shall be \$125.00 (less any statutory or legal deductions).

The last tool allowance payment shall be in April 2021.

Dated: April 30, 2016

## LETTER OF UNDERSTANDING #35

## **EQUAL EMPLOYMENT OPPORTUNITY**

The Company and the Union have through their past discussion recognized their respons bility and the desirability of providing individuals equal treatment and opportunity in their employment. During these negotiations the parties have agreed to further recognize their efforts in these areas. Therefore, the parties agree to establish a Joint Central EEO Committee composed of two representatives appointed by the Director of the Union's Agricultural Implement Department and two representatives of the Company to be appointed by the Company. Through this program of Equal Employment Opportunity at both Central and Local levels of operation, the concept of equal opportunity in all areas of employment and the use of the contractual grievance procedure will be further emphasized. The Joint Committee's efforts to achieve prompt analysis, avoidance of the multiplicity of litigation and resolution of those areas that could be the basis for claims of discrimination is recognized to be beneficial to all employees. The Joint Central Committee will meet as required, as is mutually deemed desirable or necessary. The functions of this Committee will be as follows:

Explore Affirmative Action Programs and concepts that will enhance Equal Employment Opportunity.

Review and discuss ways and means of encouraging employees to use the grievance procedure as the exclusive method to resolve claims of denial of Equal Opportunity Rights.

Maintain liaison with appropriate Federal and State agencies in those circumstances where the parties agree that such liaison would be mutually beneficial.

Advise and counsel the Local EEO Committees.

Each plant will establish a Local EEO Committee composed of two members from the Local Union: the Chairman of the Civil Rights Committee and the President of the Local Union, and in his absence the Chairman of the Local Bargaining

Committee, and two members from the Plant Management. In those cases where the Chairman of the Civil Rights Committee is absent, and it is necessary to meet concerning an EEO problem, a member of the EEO Committee may serve in his absence.

The EEO Committee will meet quarterly or as frequently as mutually desirable or necessary on a date and time mutually agreeable.

The Committee will work together and encourage employees to enter Apprenticeship and Training Programs for upgrading and utilization of skills.

The Committee will review copies of grievances involving discrimination and potential problems relating thereto and make recommendations regarding same.

The Secretary will keep minutes of the meeting with copies provided to the Company and Union representatives following each meeting.

The Company will pay the Union members of the Committee for Company called meetings.

The functions of the Joint Central EEO Committee and the Local EEO Committee shall be advisory, consultative, and cooperative.

While the Company and the Union will welcome the recommendation of the Committees, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from bypassing the grievance procedure with respect to any claim or complaint against the Company which may be made the subject of a grievance under the contract.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #36**

Re: Orientation Program

The Company and the Union are aware of the importance of improved understanding on the part of new employees joining the Company and the parties addressing themselves to this will undertake the development of a Joint Orientation Program.

This Program will afford the Union the opportunity to inform the new employee of the background of the Union, the role of the Union in providing representation under the current agreement and stress the process that is afforded the employee through the grievance procedure in such proper representation.

It is understood in the development of this Program on the part of both parties the need to stress job responsibility relating to quality workmanship, attendance, and understanding of company rules and regulations.

In developing the program, the Company and the Union will determine what subjects and sequence will be used and the manner in which the orientation program will be implemented.

It is the intent that the Local Plant management and the Local Union officials will jointly prepare a mechanical type of presentation (such as videotape) wherein the subjects of employee benefits, safety, responsibilities of the Company, the Union and the employees are addressed to enable prompt and effective employee relations.

The Joint Orientation Program will provide for the presence of the Local Union President or the Chairman of the Bargaining Committee during the presentation.

The programs for all plants will be updated, reviewed and used for new employee orientation.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #37**

Re: Plant Closing Moratorium

During the 2016 negotiations the Union expressed its concern over the future of the facilities covered by this Agreement and represented by the Union. In response to this concern the Company committed that during the stated term of this Agreement (i.e., through April 30 2022) the Company will not permanently shut down any facility currently represented by the UAW. This letter shall not apply in any respect to the Burr Ridge facility and Local 152.

Dated: April 30, 2016

## LETTER OF UNDERSTANDING #38

Re: Notification Plant Closings

During these negotiations, the Union expressed concern over the poss bility of plant closings. In view of this, when the Company plans for a complete closing of a facility where employees are represented by the UAW, the Company will give 6 months advance notice to the Local Union in the event of a full plant closing.

When requested by the Union, the parties will meet as soon as poss ble to review and discuss alternatives, if any, to a plant closing. The Company will furnish the Union with the reasons why consideration is being given to closing the plant and will give a projected closing date.

If, after reasonable period for the above discussions, the decision is made by the Company to close a plant, the parties will enter into negotiations to discuss the impact of this decision upon the employees.

However, in the event such 6 months' notice would impair the Company's need for speed, flexibility and confidentiality, the Company will give such notice no less than 60 days prior to a full plant closing. Such notice will include the reasons for the closing or the discontinuance of a major function and a tentative date(s).

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #39

# Re: Plant Preferential Seniority Placement List

A Plant Preferential Seniority Placement List will be developed to expand employment opportunities for employees on layoff due to a plant closing.

A. Inclusion on the Plant Preferential Seniority Placement List

## 1. Eligibility

Employees who are placed on layoff due to a plant closing after the effective date of this contract.

- a) Each eligible employee laid off due to a full plant closing may make written application through their home plant Human Resources Department for placement at another location. Applications for employment must be made with the Company within 90 days following the last day worked.
  - The Company will develop the Plant Preferential Seniority Placement List by plant location from applications received from eligible employees.
- B. Placement of employees from the Plant Preferential Seniority Placement List will be accomplished in the following manner.
  - a) When an eligible employee has been placed on the Plant Preferential Seniority Placement List, they will be offered the first open job they are eligible and qualified to perform at the applied for location.
    - b) The determination of qualifications in a) above shall include consideration of all prior work experience, demonstrated skill and ability, physical fitness, and other normal hiring standards. Prescreening physicals may be required when necessary.

- The most senior qualified employee on either plant Preferential Seniority Placement List will be offered placement on open jobs at the location, after all qualified employees at that location have been recalled from layoff.
- Once an employee on the Plant Preferential Seniority Placement List, has been placed at the location on an open job, the employee will carry their Company service and previous bargaining unit seniority to the new bargaining unit. The employee's recall and seniority rights at the home location will be terminated.
- 4. An employee on the Plant Preferential Seniority Placement List as a result of a Plant Closing who has been transferred to a new location based on the procedures above, will be eligible for the relocation allowance.
- C. Employees will be removed from the Plant Preferential Seniority Placement Lists as follows:
  - 1. When an employee receives a job placement at a UAW location as a result of the above procedures or is recalled to his/her home bargaining unit.
  - 2. If an employee refuses a job offer that resulted from the implementation of the procedures above, they will be stricken permanently from the Plant Preferential Seniority Placement List at the refused location. Such employee will remain on the Plant Preferential Seniority Placement List for other locations applied for and will retain his seniority rights in the bargaining unit from which he was placed on a layoff status.

#### D. General

- The Company will not consider any grievances on backpay liability as a
  result of the implementation of the provisions of Preferential Hiring. If an
  employee identifies an error in placement, the Company will correct it in the
  next available job opening.
- Recognizing the potential delay inherent in the transfer and relocation of employees between operations and the critical time requirements of production schedule increases, the Company retains the right to fill job openings at plant locations by temporarily assigning employees. In no case will a grievance be considered by the Company as a result of this temporary assignment.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #40**

Re: Employees Laid Off Due To The Shutdown Of The Bettendorf, Rock Island, Terre Haute and East Moline Plants

During the 1990 negotiations the Union expressed its concern over the status of employees placed on layoff as a result of the permanent shutdown of the Bettendorf, Rock Island and Terre Haute plants. The Union also raised concerns over those employees affected by the permanent shutdown of the East Moline Plant in the 2004 negotiations. The Company recognizes this concern and states that the benefits, language and commitments agreed to in the Shutdown Agreements negotiated as a result of those closings applicable to these laid off employees which have not yet been satisfied will be adhered to by the Company consistent with the terms of the applicable Shutdown Agreement.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #41**

Re: Retraining & Placement

The Company agrees to form a National Joint Committee on retraining and placement.

## 1. Retraining

This Committee will be made up of three members from the Union as appointed by the Vice President UAW Agricultural Implement Department and three members from the Company as appointed by the Vice President Corporate Relations for the Company. This Committee will be charged with developing mutual initiatives in retraining, outplacement and placement from within through the Plant Preferential Seniority Placement list during periods of full plant closings.

The Company has agreed to provide a tuition reimbursement program for employees laid off due to a full Plant closing. This program will provide a maximum of \$2,000 for trade, or vocational school training which is job related. Employees will qualify for this tuition reimbursement based on the criteria established in the Tuition Refund Letter of Understanding.

In keeping with this program both parties will work toward securing Government funds which may be available to help defray the costs of retraining.

## 2. Outplacement

Employees laid off due to a full plant closing will be offered assistance in seeking other job opportunities through a career transition service provided by the Company at no cost to the employees. This service will be provided at each of the major manufacturing operations identified by the National Joint Committee on Retraining and Placement. The purpose of this service will be to provide employees with:

- Information on employment opportunities in the local or nearby communities.
- Counseling on the types of skills that are marketable in industry in the job market of today and the future.
- c. Counseling on how to seek, apply for and acquire employment.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #42**

### Re: Major Outsource Decisions

During the 1987 negotiations, the Union raised a concern over the Company's major work outsourcing decisions and the impact of this activity on employee job security.

The parties share the concern for optimizing job security opportunities for our employees. It is recognized; however, that continued "makebuy" decisions resulting in work outsourcing will need to be continued for the efficient operation and survival of our business.

Recognizing the sensitivity and level of concern over this issue, the Company will agree to the following procedure to provide for Union input into the Company's major work outsourcing decisions. Discussions as set forth below will take place at the International level:

- (1) The Company will provide written notification to the Local Union of contemplated major outsourcing decisions at least sixty (60) days in advance including the reason for the work to be outsourced. This notice period will also be used to share information and have mutual discussions as required.
- (2) Upon request, a meeting will be held within thirty (30) calendar days following such notification, between local Company and Union representatives, to review and discuss major outsourcing decisions being contemplated by the Company. During this meeting, the Company will provide and discuss.:
  - a. Reason for the contemplated work to be outsourced
  - b. Data required to make the outsourcing decision
  - c. Discussion of efficiency requirements and alternatives
  - d. The Company will review and consider the discussion and input of the Union prior to making a final outsourcing decision.
- (3) The final outsourcing decision will be made by the Company and communicated promptly to the Local Union.

In cases where the Local Union claims that major outsourcing decisions are not being made consistent with the provisions of this letter, these situations may be referred to the International Union. A discussion, regarding these cases, may be held between the International Union and the Corporate Relations Department. Following this discussion, the Company may take action to reverse any major outsourcing decision, in an effort to assure consistent implementation of the Company's commitment on outsourcing. It is understood that the Company's open discussion with the Union of major outsourcing and related plans may require the Union to keep information confidential until the Company consents to its release.

Finally, the Company agreed that, in outsourcing circumstances involving elimination of a product line or complete department, where the criteria of this letter are not otherwise met, the Company nevertheless will provide reasonably advance notice to the Union of such actions and reasons for them.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #43**

Re: Subcontracting

The Company agrees that a Subcontracting Committee consisting of not more than three (3) members representing the Union and not more than three (3) members representing the Company will be established.

Such Committee will meet at mutually agreed upon times to discuss subcontracting.

- Consistent with good business practices, the Company shall make a sincere
  effort to keep work within our plants so as to keep our employees employed full
  time. The Company will keep new work in the tool room and do maintenance
  work by its own employees as far as practical.
- It is not the Company's intent to have subcontractors working in the plant on work normally performed by bargaining unit people unless the affected bargaining unit people are working at least the 40 hours. In such cases the Union will be notified prior to the work being performed.

In other situations, the Company shall make decisions as to whether work shall be performed by the Company forces in any Company plant, or by others consistent with an intention to maintain as far as practicable, a stable workforce. The Company shall make decisions of such nature with such intention taking into consideration such factors as the scope of the project or production requirements, relative cost, possession and availability of Company equipment and of employees qualified to accomplish the production without undue overtime or delay either of the specific production or of any other scheduled

activity, desirability of continuity of relations with historic sources of supply and believed best utilization of all of the Company's plants with a view to a long term stability and health of the enterprise as a whole. The Company will fully discuss this situation with this Committee before subcontracting the work.

- 3. If employees are laid off in a particular trade and the Company indicates to the Subcontracting Committee that a contractor is coming in to do work normally and historically performed by that trade, the Company will utilize the following procedure:
  - a) there shall be no obligation to recall if the work to be performed is for one (I) calendar week or less.
  - b) if the work to be performed is for between one (I) calendar week and one (I) month the Company will temporarily assign the applicable skilled tradesmen who are laid off to other classifications in the plant back to the skilled trades classification(s) affected on a oneforone basis and if more are required, then recall skilled tradesmen from the applicable trade who are laid off out of the plant on a oneforone basis, and
  - c) if the work to be performed is for one (I) month or more the Company will recall the applicable skilled tradesmen who are laid off and working in the plant and/or on layoff out of the plant on a one for one basis.
    - If the Company knows in advance that the work will exceed one (I) calendar week in duration (or one (I) month), as applicable, the Company will not delay in complying with the intent and obligation of this letter.
- 4. Union members of the Committee shall be the president, chairman of the Bargaining Committee and the skilled trades committeeman.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #44**

Re: Skilled Trades Subcontracting

During these negotiations you have expressed a concern of the skilled trades employees with regard to notification in regard to subcontractors working in the plant.

The problem we discussed dealing with incomplete notification when subcontractors are working in the plant on work normally performed by skilled trades employees will be improved by the establishment of an internal procedure whereby the Manager of Human Resources will be given background information regarding name and type of subcontractors, dates, and time periods of the work to be performed and the type of skill that will be utilized in such work. This information

will be available for discussion in the appropriate meeting of the subcontracting committee.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #45

# Re: SUPPLEMENTAL UNEMPLOYMENT BENEFITS (SUB) PLAN

The Supplemental Unemployment Benefit Plan is designed to provide a covered and otherwise eligible laid off employee with additional income.

The SUB Plan provides you with the following benefits within the parameters of the Plan.

Regular Benefit – for when you are on full week of layoff.

For the purposes of the Sub Plan you are on "layoff" if your unemployment is the result of a reduction in force, or from the discontinuance of a plant or operation (excluding a temporary layoff), or as the result of the permanent shutdown of a plant, department, or subdivision of the Company.

#### REGULAR BENEFIT

You are eligible for Regular SUB if you meet these requirements:

- You are on layoff
- You have at least one year of seniority
- You have registered with the State Unemployment Service
- You have received a State Unemployment Compensation (U.C.)
   Benefits. However, you do not have to meet this requirement if you did not receive a State U.C. Benefit for one of the following eight reasons:
  - You did not have sufficient employment to be covered under the State system.
  - 2. You have exhausted your State U.C. Benefit.
  - You are serving a "second waiting week or period" under the State system.
  - 4. You have received earnings from another employer in an amount which disqualifies you to have a State U.C. Benefit.
  - You refused an offer of work from the Company, which you had the right to refuse under the Collective Bargaining Agreement.
  - You failed to claim a State U.C. Benefit, which would have amounted to less than \$2.00 (by reason of your pay received or receivable from the Company).
  - You received military pay in amount, which disqualified you from a State U.C. Benefit, either for short-term active duty (30 days or less), or for a period of time following release.
  - 8. You are serving a waiting week under the State System.

## How to Apply for a Regular Benefit

To apply for a Regular Benefit, you must appear initially in person at a time and place designated by the Company – thereafter you do not have to apply and your benefits will be paid automatically up to the maximum number of benefits of which you are eligible. However, if **something changes**, — i.e., you have non-CNH earnings whether or not it affects your U.C., you're serving a second waiting week, etc. — you must reapply with the new information. Failure to reapply could result in benefit forfeiture and/or termination.

Your initial application, or any application required as a result of a change, must be filed within 30 calendar days of the last day of the week for which the application is made.

The Company will furnish necessary forms and information needed for your application.

#### You Must Furnish:

- Evidence of your receipt of a State U.C. check or, if you are ineligible for a State U.C. Benefit for any of the accepted reasons previously mentioned, you must have satisfactory evidence from the State as to the reason for the denial of the State U.C. Benefit.
- Statement (to be placed on application) of any earnings you received for such week.
- 3. Any other information needed to determine your eligibility for your benefit.

## Regular SUB Benefit

## **Employees Hired Prior to May 14, 1998**

For all periods of qualifying layoff commencing on or after January 1, 2005, the Regular Benefit for an otherwise eligible Employee hired prior to May 14, 1998, who is laid off for five (5) or more consecutive work days will be \$200 per week.

The five (5) work days may occur in one week or bridge two (2) work weeks.

Partial weeks of eligibility will be paid at the rate of \$40/day.

## **Duration of Regular Benefit**

The maximum number of weeks for which an Employee may receive Regular Benefits is as follows:

 Up to twenty-six (26) weeks in a benefit year (layoffs which bridge year end/new year are considered a layoff which commenced in the first calendar

- year) if the employee has less than ten (10) years of seniority at the time of lavoff or
- Up to fifty-two (52) weeks in a benefit year (layoffs which bridge year end/new year are considered a layoff which commenced in the first calendar year) if the employee has more than ten (10) years of seniority at the time of layoff.

After an initial application with proof of receipt or denial of Unemployment Compensation, payments will be made automatically each week in the amount indicated above. The initial application for benefits for each layoff must be filed with the Company within thirty (30) calendar days following the last day of the week in which the layoff occurred.

## Employees Hired After May 14, 1998

For all periods of qualifying layoff commencing on or after January 1, 2017, the Regular Benefit for an otherwise eligible employee hired on or after May 14, 1998, who is laid off for five (5) or more consecutive work days will be the following amount for weeks of qualifying layoff:

One (1) Year, but less than five (5) Years of Seniority:

150 per week for a period of thirteen (13) weeks in a benefit year except that a continuous layoff bridging a year-end/new year will not cause additional benefits to be paid beyond the thirteen (13) weeks.

Partial weeks of eligibility will be paid at the rate of thirty dollars (\$30) per day.

Five (5) or more Years of Seniority:

\$150 per week for a period of twenty-six (26) weeks in a benefit year except that a continuous layoff bridging a year and/new year will not cause additional benefits to be paid beyond the twenty-six (26) weeks.

Partial weeks of eligibility will be paid at the rate of thirty dollars (\$30) per day.

The five (5) work days may occur in one week or bridge two (2) work weeks.

#### **Temporary Layoff SUB Benefit**

# Employees Hired Prior to May 14, 1998

For all periods of a qualifying temporary layoff pursuant to Article IX, Section 5(C)(Racine) or (F) (Burlington), where employees are laid off out of line of seniority, commencing on or after January 1, 2011, the SUB Benefit for an otherwise eligible Employee hired prior to May 14, 1998, who is laid off for five (5) or more consecutive work days will be \$250 per week.

The five (5) work days may occur in one week or bridge two (2) work weeks.

Partial weeks of eligibility will be paid at the rate of \$50/day.

## **Duration of Temporary Layoff SUB Benefits**

The maximum number of weeks for which an employee may receive Temporary Layoff SUB Benefits is as follows:

- Up to twenty-six (26) weeks in a benefit year (qualifying temporary layoffs which bridge year end/new year are considered a qualified temporary layoff which commenced in the first calendar year) if the employee has less than ten (10) years of seniority at the time of layoff or
- 2) Up to fifty-two (52) weeks in a benefit year (qualifying temporary layoffs which bridge year end/new year are considered a qualified temporary layoff which commenced in the first calendar year) if the employee has more than ten (10) years of seniority at the time of layoff.

After an initial application with proof of receipt or denial of Unemployment Compensation, payments will be made automatically each week in the amount indicated above. The initial application for benefits for each layoff period must be filed with the Company within thirty (30) calendar days following the last day of the week in which the layoff occurred.

## Plant Closing

If you were laid off due to a plant closing, your benefits will be determined by the plant closing agreement.

## **Ineligibility**

You are not eligible for a Regular Benefit under the following circumstances:

- 1. If you quit
- 2. If you were discharged or suspended
- If your unemployment was the result of any labor dispute between the Company and members of the UAW
- 4. If you are in the military service
- If you receive or are eligible to receive a SUB payment from another employer with whom you have more service
- 6. The result of government regulations and controls over amount and kind of materials or product the Company may use or sell
- 7. After the first two weeks of any layoff due to an Act of God
- 8. If you claim or are eligible for any Weekly Disability or other disability benefit (other than a disability benefit which would be payable to you whether or not you were working full time, or a survivor's allowance for receiving under worker's compensation laws, or other laws providing for benefits for

occupational injury or disease, while you were not totally disabled and while you were ineligible for a disability benefit under the Group Insurance Plan), whether publicly or privately financed, or a pension or retirement benefit financed in whole or in part by the Company.

## Relocation Allowance

If you are requested by the Company to take an hourly-rate job in another plant of the Company, you will receive a moving allowance of:

Miles from Employee Home Plant to Other Plant	Moving Allowance Amount Single Employee	Moving Allowance Amount Married Employee
0 – 49	\$0	\$0
50 – 99	\$510	\$1,035
100-299	\$575	\$1.160
300-499	\$630	\$1,275
500-999	\$760	\$1,510
1000+	\$880	\$1,735

Provided you have, in fact, changed your residence as a result of the transfer and provided you make written application to the Plant Employee Relations Department.

If you, as well as other members of your family living in the same residence, are permanently transferred to another plant at the request of the Company, you will receive one relocation allowance.

Should you be eligible for present or future federal or state moving or relocation expense monies, the amount of the above relocation allowance will be reduced

by such monies even though you may not have received them because you failed to qualify or lost such federal or state benefits because you failed to make proper application.

## General

### **Appeals**

You may appeal your application for SUB if:

- Your Benefit is denied for any reason with such denial being made within 90 days of your application (may be extended for an additional 90 days), or
- You receive a benefit payment, but in an amount which you believe to be incorrect.

You must file your appeal with the Company as follows:

- You must file your appeal within 60 days (maybe extended for an additional 60 days) of
  - The date of mailing of your benefit denial
  - The date of mailing of the benefit check for the benefit in question
- You will receive a written explanation of the decisions on your appeal by the Board of Administration.

Appeal forms and pertinent plan records are available from the Company upon request.

#### Administration

The Plan is maintained pursuant to an agreement between the Company and the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, whose headquarters is located at 8000 East Jefferson Avenue, Detroit, Michigan 48214 and its Local Unions Nos. 180 and 807 (hereinafter collectively "UAW"). A copy of the Plan may be obtained by Participants and Beneficiaries at the principle office of the Plan Administrator.

The Plan constitutes a welfare benefit plan providing unemployment benefits. The Plan Administrator and Agent for service of legal process is the Board of Administration, c/o Manager, Hourly Employee Relations, North America, 700 State Street, Racine, Wisconsin, 53404, which is a committee of three representatives of the Union and three Management employees. The Employer Identification Number assigned by the Internal Revenue Service is 76-0433811 and the Plan Number is 804.

## **ERISA Rights**

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (hereinafter "ERISA"). ERISA provides that all Plan participants shall be entitled to:

Examining, without charge, at the Plan Administrator's Office and at other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports (form 5500 series) which are available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain copies of Plan documents, such as insurance contracts and collective bargaining agreements, and other Plan information, including copies of the latest annual report and summary plan description, upon written request to the Plan Administrator. The Administrator may make a reasonable charge for copies.

Receive a summary of the Plan's annual report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for the Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plant, have a duty to do so prudently and in the interest of you and other Participants and Beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under this Plan or from exercising your rights under ERISA. If your claim for a benefit is denied or ignored, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your claims reviewed and reconsidered, pursuant to the Appeals Procedure described above. Under ERISA there are additional steps you can take to enforce the above rights. For instance, if you request certain materials from the Plan and do not receive them within 30 days, you may be entitled to file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may be entitled to file suit in a state or federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may be entitled to file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have questions about this Statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan

Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor listed in your telephone directory or the Division or Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #46**

Re: Tuition Refund

The Company has an outstanding policy which provides for company reimbursement of 80% of the cost of tuition, etc., upon successful completion of the course of study provided company approval is obtained prior to enrollment and the course of training must relate directly to work performed in and by the bargaining unit. There are other details in this statement of policy, but the essential ingredient is the prior approval of the Company.

Dated: April 30, 2016

## **LETTER OF UNDERSTANDING #47**

Re: New hires hired on or after May 2, 2004

Any individual hired on or after May 2, 2004 will be considered a "New Hire" and subject to the terms, conditions, and wage rates of a "New Hire" under the agreement that is put in place after the 1998-2004 Agreement expires on May 2, 2004.

Dated: April 30, 2016

#### LETTER OF UNDERSTANDING #48

Re: Supplemental Employees

Both parties had extensive discussions around the cyclical nature of the Company's business which may result in fluctuations in short term employment needs. Recognizing the desirability of maintaining a stable workforce for regular employees, the parties agree to the following with respect to the use of "supplemental employees" to perform bargaining unit work at the following UAW

represented facilities: RMO (Local 180) and Burlington (Local 807). Prior to the utilization of "supplemental employees" the Company will meet with the Local Union and discuss the short-term business needs (seasonal requests for operational or business needs) which may be best met using the terms of this provision. After these discussions, if mutual agreement is not reached, the Company may advance the discussion to include the Corporation and the International Union for the purpose of reaching consensus on the business cases involved in this request. In such event, the Company will not implement supplemental employees at that site for any reason without the International Unions and Corporation's mutual agreement. The International Union will not withhold its agreement when the Company provides a legitimate business reason for supporting the implementation. If the parties cannot agree on the Company's request, the Company has the right to implement and the Union may request expedited arbitration. In such case, the issue as to whether there are legitimate business reasons for utilizing supplemental employees may be submitted immediately to one (1) of the permanent arbitrators (referred to in Article VII, Section 3) and heard by said arbitrator within twenty-four (24) hours (or as promptly thereafter as possible). The only issue before the arbitrator shall be whether legitimate reasons exist for utilizing supplemental employees. The arbitrator shall issue a decision within twenty-four (24) hours after the close of the hearing. The arbitrator's decision shall be limited to either sustaining the Company's use of supplemental employees or to direct the Company to cease using the supplemental employees. No other issue shall be heard or decided. The fees and expenses of the arbitration shall be split equally between the parties. Each side shall be responsible for its own witnesses.

## Terms of Implementation are as follows:

- A. As an aggregate within any facility, the total number of supplemental employees may not exceed fifteen percent (15%) of the number of regular bargaining unit employees within the facility.
- B. The Company will not use supplemental employees in lieu of regular employees if any regular employee is on a qualified lay-off or if the business case is determined to be for other than short term business needs.
- C. In any event during a reduction of force, a regular employee will displace any supplemental employee prior to reduction or layoff, unless the supplemental worker was identified as working due to distinct skills on a distinct project prior to hire.
- D. Contractual rights, seniority rights, and benefits, except those required by statute or those which the Company may provide at its discretion, shall not accrue to supplemental employees.
- E. Such supplemental employees may be terminated at any time for any reason. No claim of wrongful termination or discharge of a supplemental employee shall be taken up as a grievance, unless such claim is based on discrimination covered under Article II or Union Activity.

- F. Supplemental employees will receive the same rate of pay as a newly hired regular employee assigned to the same job classification within the facility. Supplemental employees shall receive no shift differential.
- VII. Supplemental employees shall only be paid time and one half for work in excess of forty hours in any one week.

Dated: April 30, 2016

### LETTER OF UNDERSTANDING #49

Re: Dispute Resolution Pertaining to Interpretation of Terms of the Group Insurance Agreement

This letter is to clarify the process for resolving disputes with regard to interpretation of the agreed upon terms of the Group Insurance Agreement (Blue Book).

Should a dispute arise specific to the interpretation of the terms and conditions of the Group Insurance language, the Company and the Union agree to follow the dispute process utilized for other agreement language as detailed in Article VII of the Central Agreement.

Further, this letter clarifies that this is a process related to agreement language and its interpretation, and does not apply to negate, void or otherwise interfere with a participant's claim appeal rights under the plans. Claim appeal rights must continue to be processed under the existing process contained in the plan.

Dated: April 30, 2016

# **LETTER OF UNDERSTANDING #50**

Re: 401(k) Plan

During the 2005 negotiations the parties discussed the terms of the 401(k) plan that would apply to certain categories of employees. As part of the discussions the parties agreed to provide employees hired after May 14, 1998 with certain matching and fixed contributions (i.e. 70% match on employee contributions up to 6% of earnings and a fixed contribution equal to 5% of earnings), which are the levels currently applicable to non-represented hourly employees. As part of this understanding, the Union recognizes and agrees that the Company can amend the plan in its discretion at any time with regard to any other matter or subject, e.g., change of trustee or administrator, administrative procedures and forms, investment options, amendments required for compliance, etc., and specifically waives it's right to bargain regarding such changes.

Dated: April 30, 2016

#### LETTER OF UNDERSTANDING #51

#### **RE WCM PROGRESS PAYMENTS**

During the 2016 negotiations, the parties recognized and agreed that the implementation of World Class Manufacturing (WCM) at the facilities covered by this Agreement has not been successful. The parties discussed ideas and strategies that would facilitate and promote WCM at these facilities. One of the ideas discussed was rewarding employees for not only implementing WCM but, also consistently achieving progress in the WCM continuous improvement standards.

During these discussions, the Company emphasized that improved operational flexibility and competitiveness resulting from full implementation of WCM provides greater employment security for all employees. While the Union recognized the practical benefits of WCM, the Union also stressed the importance of hourly employees sharing in the economic benefits that are attained through full implementation of WCM.

Consistent with these discussions, the parties have agreed to a system through which hourly employees would receive WCM achievement recognition awards based upon the progress achieved by each respective facility in the successful implementation of WCM. This system is as follows:

- The WCM program at CNH Industrial consists of several key elements, including:
  - a. WCM audits will occur at each facility two times in each calendar year.
  - b. Audits will be conducted by a certified WCM auditor.
  - c. The current WCM program includes ten (10) technical pillars and ten (10) management pillars. The Company will notify the Union if there is any change in the pillars.
  - d. Each WCM audit will include an audit of all of the pillars. Upon completion of the audit a point level (which could include 0 points) will be assigned to each pillar. The point level assigned to each pillar will then be totaled to obtain that facility's audit score.

e. Levels of achievement, based on point totals, will determine progress, as well as whether any WCM achievement recognition award will be provided to eligible employees. These levels are:

Bronze: when a facility is recognized with a total of fifty

(50) points in an audit;

Silver: when a facility is recognized with a total of sixty

(60) points in an audit;

Gold: when a facility is recognized with a total of seventy

(70) points in an audit.

2. Eligible hourly employees will receive a WCM achievement recognition award in the following amounts after each semi-annual WCM audit.

Status	Pre-Bronze	Bronze	Silver	Gold
Points	Less than 50	50 to 59	60 to 69	70 +
Progress Payment To Eligible Employees (per point gained)	\$150	\$250	\$350	\$400

- The WCM achievement recognition award Progress Payment, if any, will be made to elig ble employees within thirty (30) calendar days after the completion of the semi- annual audit.
- 4. Eligible employees shall be defined as, and limited to, employees who:
  - a. Were hired on or before the date of the previous WCM audit; and
  - Actively working for thirteen (13) of twenty-six (26) weeks prior to the WCM audit; and
  - c. Actively employed on the date of the Progress Payment.
  - d. Employees on layoff as of the date of the Progress Payment who meet the other criteria established above, will be paid the Progress Payment upon recall from layoff.
- No Progress Payment will be made if the facility's point total is at the Pre-Bronze level but, is a lower point total than the previous audit total.

- 6. Progress Payments are made only once for WCM points achieved. Under no circumstances will a Progress Payment be made if the point total is lower than a prior audit. Under no circumstances will a Progress Payment be made if the point total increases from the previous audit total but, the increased point total represents the retainment of points that were lost in a previous audit.
- 7. As set forth above, there will be two WCM audits in each calendar year. If a WCM audit is postponed or cancelled, the Vice-President of NAFTA Manufacturing Operations, or designee, and the UAW VP AG IMP or designee, will conduct an internal audit. This audit will be utilized to determine point totals and whether a level of achievement has been reached.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #52**

#### Re: National and State Health Insurance Initiatives

This confirms our understanding that if any Federal or State health security act is enacted or amended to provide hospital, surgical, medical, prescription drug, dental benefits, vision care, or hearing care for employees, retired employees, surviving spouses and dependents, which duplicate or may be integrated with the benefits of the Group Benefits Plan, then in such event, the benefits under the Group Benefits Plan will be modified so as to integrate or eliminate the duplication of such benefits with the benefits provided by such Federal or State law.

Both parties understand that any savings which the Company may receive as a result of these governmental programs will belong to the Company. The Company shall be under no obligation to provide for any additional benefits other than those agreed to by the parties.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #53**

#### Re: Cost of Healthcare Coverage – Active Employees

Contr butions for Medical coverage for active employees, employees on lay off, employees on A&S and other similarly situated employees will be set at the following percentages:

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January 1, 2017 – 15.0%
January 1, 2018 – 15.5%
January 1, 2019 – 15.5%
January 1, 2020 – 16.0%
January 1, 2021 – 16.0%
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of the total plan cost projected for each plan year based upon UAW plan experience. Plan cost is comprised of projected claim and administrative costs for each specific category of coverage. These contributions will be taken from the first four paychecks per month on a generally equal basis and will be taken on a before tax basis.

Verification of plan cost will be provided as noted by separate letter of understanding.

Contr butions for medical plan participation will be deducted from employee pay on a pretax basis. To remain eligible for coverage, employees must properly authorize such deductions. Once enrolled in the plan, participants cannot change their enrollment election or their coverage tier (except during the annual enrollment period), unless they have a qualifying change in family status.

Dated: April 30, 2016

#### LETTER OF UNDERSTANDING #54

#### Re: Healthcare Contributions For Retirees, Surviving Spouses and LTD

During the 2016 negotiations the parties discussed how healthcare contributions are calculated by the Company for non-grandfathered retirees (employees who retired, or who will retire, on or after November 1, 2004), surviving spouses and LTD participants under the LETTER OF UNDERSTANDING Re: Cost of Healthcare Coverage - Retirees, Surviving Spouses and LTD dated May 10, 2010, which was upheld and confirmed by Arbitrator Trampe.

Based on these discussions, the parties have agreed to the following procedure for calculating the healthcare premium/premium equivalent contributions to be made by non-grandfathered retirees (employees who retired, or who will retire, on or after November 1, 2004), surviving spouses and LTD participants. This new procedure will be used to calculate the healthcare premium/premium equivalent contributions that will be effective on January 1, 2017 and to calculate the increases in contributions in each successive year.

1. The data used shall consist only of the following:

- The actual plan costs of the non-grandfathered retirees, surviving spouses and LTD participants shall constitute fifty percent (50%) of the data used; and
- b) The actual plan costs, benefit adjusted, of the grandfathered retirees (defined as those employees who retired on or before October 31, 2004), surviving spouses and LTD participants shall constitute fifty percent (50%) of the data used.
- Under no circumstances will any other data be used to calculate the healthcare premium/premium equivalents.
- 2. Actuarial credibility factors shall not be applied to the actual plan cost data set forth in 1a and 1b, above.
- If the calculation results in an increase in the premium/premium equivalent from the prior year, the non-grandfathered retirees, surviving spouses and LTD participants shall be respons ble for sixty percent (60%) of the increased cost.
- 4. The required healthcare premium/premium equivalent contribution will be made via monthly invoice and remittance. Alternatively, these participants may elect an ACH option whereby the funds are withdrawn monthly from a participant's checking account or deducted from their RMSA account, if any, or from their pension payment. If any state law requires the Company to obtain an authorization form before it can make any deduction from a pension payment, the participant must properly execute the appropriate deduction authorization form.
- 5. The Company will use an actuary to perform the calculations. The actuarial calculations shall not be subject to the grievance procedure.

Dated: April 30, 2016

#### LETTER OF UNDERSTANDING #55

#### Re: Notice of Retirement

Each union represented employee who wishes to retire must provide the Company notice of their intent to retire. Proper notice shall consist of providing a signed retirement application on a Company approved form to the local Human Resource Department. Upon acceptance of the signed retirement application the employee will be scheduled to retire on their requested date. Pension benefits will start the first of the month following retirement.

In the event that an employee wishes to rescind their retirement application they must formally make this request in writing. The Company will consider the employee's request to rescind and will inform the employee of the Company's decision. The Company is under no obligation to approve the request to rescind.

#### Pension Payment Example:

The employee's last day worked is 5/15
The pension benefits will begin on 6/1
First check will be received in July for the months of June and July

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #56**

#### Re: Retiree Medical Savings Accounts

During the 2005 negotiations the parties agreed to create RMSA to assist eligible employees in paying for healthcare costs. These accounts included "notional" credits from the Company and allowed eligible employees to make contributions to these accounts.

In the 2010 negotiations, the Company provided "notional" credits ceased. While the accounts for eligible employees were frozen, the accounts were maintained so that eligible employees can use their account to pay for covered healthcare costs during retirement.

The Company will continue to maintain these accounts for each eligible employee.

The rules governing the accounts, use of account funds and employee contributions will be as set forth in the 2005-2011 Agreement.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #57**

Re: RMSA Retirement Incentive

During the 2005 negotiations, the parties agreed to create Retiree Medical Savings Accounts that would assist certain eligible employees in paying for healthcare costs after those eligible employees retire and become Medicare eligible. In doing so, the Company created accounts with "notional" credits to those accounts.

During the 2010 mid-term negotiations, the parties agreed to freeze those RMSA accounts for eligible employees as of April 30, 2011.

The definition of eligible employees, and the rules governing the accounts, use of the account funds and employee contributions will be as set forth in the 2005-2011 Agreement.

To further assist certain eligible employees in paying for healthcare costs, the parties have agreed to this RMSA incentive. The terms of this RMSA incentive are as follows:

- This RMSA incentive is a one-time offer and is only available to certain eligible employees who currently work at the Burlington or Racine plants.
- Eligible employees for this RMSA incentive shall be defined as and limited to, employees who were hired prior to May 15, 1998 and who have at least ten (10) years of credited service and who are at least fifty-five(55) years old at the time retirement and who timely and effectively execute the Hourly Employee RMSA Incentive Release("Release") and who do not later revoke the Release.
- Eligible employees will only receive this RMSA incentive if they provide
  the Company with the contractually required written notice that they
  are retiring and start their retirement no later than August 1, 2016.
   Except as set forth in Paragraph below, an eligible employees' last day
  of work will not be any later than July 31, 2016.
- 4. The RMSA incentive shall be a "notional" credit to an eligible employee's RMSA account equal to \$15,000. This "notional" credit is not cash and will never be paid. The "notional" credit amounts in an account will only be used to "pay" for an eligible retiree's healthcare contributions or other healthcare costs.
- 5. The "notional" credit will not be made to an eligible employee's RMSA account unless and until that employee has timely and effectively executed the Release, and any revocation periods set forth in the Release have expired without the employee revoking the Release.

- 6. The deadline to volunteer for this RMSA incentive is May 31, 2016. Eligible employees who elect to volunteer for this RMSA incentive can only do so by completing and signing the Request to Participate Form and returning that Request to Participate Form to the Human Resources Department no later than 5:00 p.m. on May 31, 2016.
- If an eligible employee timely submits a Request to Participate Form and the Notice of Retirement, and the Company accepts that employee's application/notice, the employee's last day of work will be on the date designated by the Company.
- 8. Eligible employees who timely return the properly executed Request to Participate Form and the Notice of Retirement, and who are accepted by the Company, shall cease to be an employee of the Company, shall be permanently and completely severed, and that former employee shall have no rights (except for vested retirement benefits and the benefits of this RMSA incentive), privileges or benefits (including all seniority and recall rights) with the Company. That former employee also recognizes and agrees that the Company shall have no obligation to rehire that employee and, for this reason, a former employee shall not seek employment with the Company.
- The Company reserves the right, in its sole discretion, to hold an employee beyond the expected termination/retirement date if the Company determines that it needs that employee.
- The Company will decide, in its sole discretion, the actual termination/retirement date of each accepted application.
- 11. If a Request to Participate Form is accepted, the applicant must remain actively employed until the termination/retirement date set by the Company for that employee.

If that employee terminates for any other reason (e.g., quit, retirement, death, disability, discharge for cause, etc.) prior to the retirement date designated by the Company, such employee shall not be eligible for, and shall not receive, the RMSA incentive benefits created by this LOA.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #58**

#### Re: Employee Eligibility for Dental/Vision Coverage

During the 2016 negotiations the parties agreed to reduce the elig bility period for dental and vision coverage from eighteen (18) months to ninety (90) calendar days. The parties also agreed to increase the probationary period from ninety (90) days to one hundred twenty (120) days. The Union raised a concern regarding employees hired prior to April 30, 2016 who have completed their probationary period, but have not yet completed eighteen (18) months of work and whether they would be eligible for dental and vision coverage.

To address this concern the Company has agreed that the reduction in the eligibility period for dental and vision coverage to ninety (90) calendar days will apply to all current and future employees. Any employee actively employed who has completed their probationary period shall be eligible for dental and vision coverage upon ratification of this Agreement. If any employee is currently laid off who has completed their probationary period, such employees will be eligible for dental and vision coverage upon their recall to work; provided that an employee on layoff who is receiving S.U.B. pay shall be eligible for dental and vision coverage upon ratification of this agreement.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #59**

#### Re: Eligibility for Contingent Ratification Bonus

During the 2016 negotiations, the Union expressed its concern over the eligibility requirements for the Contingent Ratification Bonus. After discussing this issue, the parties have agreed as follows:

- 1. Notwithstanding the eligibility requirement contained in paragraph 2 of the Contingent Ratification Bonus (contained in the Letter of Agreement Re: Proposals Contingent Upon Ratification), otherwise eligible employees who were ineligible because that employee was on layoff or not working because the employee was receiving A&S or Worker's Compensation benefits on the eligibility dates will become eligible if the employee satisfies all of the following conditions.
- The employee actually returns to active, full-time employment, with the intent of returning to such employment, within six (6) months of the Effective Date: and
- 3. The employee continues to be actively at work for at least thirty (30) calendar days after such return to work.

If the employee satisfies the above conditions, the employee will receive the Contingent Ratification Bonus, with such Bonus being paid no later than thirty (30) calendar days after satisfying the conditions set forth above.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #60**

#### RE: MEASURED DAYWORK BASED COMPENSATION PLAN

During the 2016 negotiations, the parties discussed the continued application of the Measured Daywork compensation system. MDW standards shall continue to apply to all direct and certain indirect jobs. The basic principle for establishing standards under MDW shall be that productivity, as measured over the course of a full eight (8) hour day (or such other day that is worked), shall not be less than 100%. Nor shall MDW result in the reduction or loss of efficiency or productivity on any job or team.

Existing standards may be restudied and new or changed jobs will be studied to establish standards. Standards will be established using procedures or other accepted engineering techniques such as:

- (1) Comparative data; or
- (2) time study; or
- (3) standard data; or
- (4) plant data: or
- (5) predetermined time systems; or
- (6) video or laboratory analysis; or
- (7) work sampling; or
- (8) part family analysis; or
- (9) any combination of the above and other accepted industrial engineering techniques.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #61**

#### Re: COMPLETION OF TRANSITION FROM CCICS

In the 2010 mid-term negotiations, the parties agreed to eliminate CCICS and replace it with a measured day work plan effective January 3, 2011. That transition from, and elimination of, the CCICS Plan has been completed.

Accordingly, there shall not be any "average" rates or earnings. All paid time off (e.g., vacation, holiday, PAA, bereavement, jury duty, etc.) shall be paid at the employee's hourly rate of pay for the job held by the employee on the workday immediately preceding the paid time off days.

All language related, or referring, to CCICS has been eliminated from this Agreement. If any issue or question arises related to CCICS, the parties will refer to the relevant language in the 1998, 2005 or 2010 Central Agreement.

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #62**

Re: Union Work Standards Representatives

- A. In conjunction with the administration of the CCICS Plan, the Company will recognize the following numbers of Union Work Standards Representatives by location as follows: RMO – 1; Burlington - 1. Additional Union Work Standards Representative(s) may be trained and/or recognized by mutual agreement.
  - 1. The selection of the Union Work Standards Representatives will be handled as follows: The Union shall submit the names of five (5) employees (preferably incentive workers) with three (3) or more years of seniority for each position to be filled. The employees must meet qualifications established by the Industrial Engineering Department. The Company shall select three (3) whom it deems qualified for this work. The Union shall then select one (1) of these three (3) to receive the training.
  - If no employees (or fewer than three (3)) are qualified from any list, the Union shall submit a supplemental list. Where more than one (1) position is being filled at any time the lists submitted shall be made up of different candidates
- B. The Company and the Union may agree to recognize more than the minimum numbers of Union Work Standards Representatives set forth in Paragraph A above. In addition, the parties may agree to select and train more than the number of Work Standards Representatives who are recognized to provide for emergency fill-in and/or a ready replacement for the recognized Union Work Standards Representative(s). In this regard, the parties agree to train the following additional numbers of Union Work Standards Representatives who will be recognized, for such fill-in and replacement functions: RMO 1; Burlington 1.
- C. The Company shall provide the training for Union Work Standards Representatives. The Company will pay for the time lost in such training at his

applicable rate. When the employee(s) are trained they shall return to their regular jobs. The Company will pay the cost of additional training and tests required to maintain the UWSR and Alternates' MOST cards and CCICS training up-to-date.

D. The duties of the Work Standard Representatives shall consist only in making joint studies with a Company Industrial Engineering Representative and participate as set forth in the CCICS Plan L.O.U. Re: Plan Process and Implementation. Joint studies will be for the purpose of reviewing time study elements and the application of the data and/or elements in cases involving disputes over CCICS, reviewing the elements or application of data and/or elements in disputes over standards.

The Union Work Standard Representatives shall in no way participate in the establishment of standards or metrics for the CCICS Plan.

- E. If the Company transfers one of these Work Standards Representatives outside the bargaining unit, a replacement will be trained by the Company at its expense on the basis of the employee's applicable rate.
- F. The cost of training a replacement for a vacancy caused by other than the action stated in paragraph E above shall be borne entirely by the Union; provided, however, that if the UWSR has served two (2) or more years in the position of UWSR the Company will pay the cost of training the replacement where the vacancy is created by quit, discharge or retirement.
- G. If a Work Standards Representative is required to leave his area in order to perform his duties as a Work Standards Representative, he will follow the same procedure for other Union Representatives.
- H. In order to maintain the skills of the UWSR alternate, the alternate shall be utilized on approximately a one third (1/3) basis in performing the work available for the UWSR's at each plant.

Union Work Standards Representatives will not have seniority preference during temporary layoffs when a substantial amount of incentive work is not being performed. (Local 180 supplement)

Dated: April 30, 2016

#### **LETTER OF UNDERSTANDING #63**

Re: Special Provisions for Employees hired prior to May 14, 1998

A. Notwithstanding Article X, Section 5 – Educational Leave, Paragraph B of the Collective Bargaining agreement, employees hired prior to May 14, 1998 will have paid absence allowance time off prorated based on the following scale when on an educational leave of absence:

Hours Worked		Paid Absence
		Allowance Hours
1280	(160 days or more)	40
960 to 1279	(120 days to 159 days)	28
640 to 959	(80 days to 119 days)	16
Up to 640	(Up to 80 days)	8

B. Notwithstanding Article XII, Section 1 – Vacation Time Off and Pay, the following language will apply to employees hired prior to May 14, 1998.

Section 1. Vacation Time Off and Pay.

- Employees who have six (6) months but less than one (1) year of seniority prior to June 1, will be eligible for a one (1) week vacation. Vacation pay for such employees shall be computed on the basis of twenty (20) hours.
- Employees who have at least one (1) year of seniority and who
  have worked a minimum of eighty (80) days during the year prior to
  June 1, will be eligible for a vacation with pay. Employees entitled to
  full vacation will receive vacations with pay on the following basis:

One year but less than three years of seniority on or before June 1. 40 hours 1 week

Three years but less than ten years of seniority on or before June 1. 80 hours 2 weeks

Ten years but less than fifteen years of seniority on or before June 1, 120 hours 3 weeks

Fifteen years but less than twenty years of seniority on or before June 1. 140 hours 3 1/2 weeks

Twenty years or more of seniority on or before June 1. 180 hours 4 1/2 weeks

C. Vacation pay will be computed for the 40, 80, 120, 140 or 180 hours, whichever applies, as follows:

160 or more days worked\* ..... full vacation pay
120 through 159 days worked\* .... 75% vacation pay
80 through 119 days worked\* .... 50% vacation pay
Three, ten, fifteen and twenty-year employees under Section 1-B of this

article who qualify for only 50% vacation pay will be allowed 5, 8, 9, or 12 days vacation time off, respectively.

Days lost from work due to an industrial injury for which Worker's Compensation Benefits have been paid will be considered as days worked for vacation eligibility as follows:

- (1) Must have performed work in the vacation year.
- (2) Must meet all other eligibility requirements for vacation as stated in this section.
- (3) Credit will be given for such lost time days up to a maximum of five (5) in any one work week, provided these would have been days the employee would have normally been scheduled to work.
  - \* Days worked during the year preceding June 1. Paid vacation days, holidays and PAA for which pay was received will be considered as days worked.
- D. Vacation pay shall be computed on the basis of an employee's average straight time hourly earnings (excluding overtime and shift premium) during the first three (3) months of the calendar year in which his vacation falls. Pay for grievance time as provided in Article VII, Section 5, shall not be included in the computation of vacation pay.
- E. Employees otherwise eligible for vacation pay who have no earnings during this period shall have their vacation pay computed on their average straight time hourly earnings for the period between April 1 and June 1. Employees otherwise eligible for vacation pay who have no earnings after January 1 shall have their vacation pay computed on their average straight time hourly earnings during the last two (2) weeks of their employment. Two (2) weeks will be the minimum amount of time used in the computation of an employee's straight time hourly earnings.
- F. An employee who is reemployed following completion of service in the Armed Forces of the USA will be eligible for vacation during that vacation year as provided in Section 1. Military service will be construed as days worked to meet the eligibility requirements of Section 1.B, provided the employee has worked some part of that vacation year with the Company.
- G. Notwithstanding Article XII, Section 6 Paid Absence Allowance, Paragraphs A and D, the following language will apply to employees hired prior to May 14, 1998.
- H. An employee with at least one (1) year of seniority as of June 1, each year will be granted up to forty (40) hours of absence between June 1 and the subsequent May 31. The foregoing absences must be requested at least one (1) working day in advance. Pay for such absence will be made at the employee's average straight time hourly earnings (excluding shift premium) for the last calendar quarter prior to such absence (plus current cost of living and

any applicable improvement factors) for days on which he would otherwise be scheduled to work. Such absences shall be taken in individual increments of not less than four (4) hours.

 At the employee's option the Company will pay for the unused Paid Absence Allowance as follows:

- (1) At the end of the last pay period in February, the remaining Paid Absence Allowance time over thirty-two (32) hours.
- (2) At the end of the last pay period in March, hours over twenty-four (24).
- (3) At the end of the last pay period in April, hours over sixteen (16).
- (4) At the end of the last pay period in May, hours over eight (8).
- (5) At the end of the contract year, the remaining hours, if any.
- J. Notwithstanding Article XIII, Section 6 Shift Premiums, Paragraph A, the following language will apply to employees hired prior to May 14, 1998.
- K. Employees regularly working on the second shift shall receive a premium of sixty cents (60¢) per hour and employees regularly working on the third shift shall receive a premium of sixty-five (65¢) for each hour worked.

Dated: April 30, 2016

#### **LETTER OF AGREEMENT #64**

Re: Annual Lump Sum Bonus Payments for Employees hired prior to May 3, 2004

During the first, second, third, fourth, fifth and sixth years of this contract Eligible Employees (as defined below), shall receive lump sum bonus payments calculated as percentages of the total amount of "Qualified Earnings" (as defined below) received by such Eligible Employee during the applicable "Base Period" preceding an "Eligibility Date". The percentages shall be as follows: first year payment – three and one-half percent (3.5%); second year payment – four percent (4.0%); third year payment – three percent (3.0%); fifth year payment – three percent (3.0%); sixth year payment – three percent (3.0%). The lump sum bonus payment shall be a gross amount and will have subtracted from it the required statutory, legal, judicial and contractual deductions.

 Eligible Employees shall be defined as those employees who were hired prior to May 3, 2004, (and all skilled trades, regardless of hire date) who possess seniority in a bargaining unit covered by the 2016 Central Agreement on the applicable Eligibility Date and who actually performed work for the Company during the applicable Base Period, and who are employed and on the seniority list (or on layoff) on the payout date; provided that Skilled Trade employees will not be eligible for the first and second year lump sum bonus payment. Former employees who are not employed on the payout date shall not receive that lump sum payment.

- Qualified Earnings shall be defined as income received by an Elig ble Employee from the Company during the applicable Base Period from one of the following sources:
  - Regular Hourly Earnings <u>from the applicable wage</u> <u>schedule</u> (including shift premium and overtime premiums);
  - ii. Saturday, Sunday or Holiday premium payments;
  - iii. Holiday Pay;
  - iv. Paid Absence Allowance Payments;
  - v. Vacation Pay;
  - vi. Bereavement Pay;
  - vii. Jury or Witness Duty Pay;
  - viii. Temporary Military Service Make-up Pay;
  - ix. Report-in or Call-back

#### c. Lump Sum Payment Schedule

	Base Period	Initial Eligibility Date	Payment During First Full Pay Period Commencing On or After
1 <sup>st</sup> Year Payment	January 1 – December 31, 2015	First Sunday in April 2016	Written Notice of Ratification
2 <sup>nd</sup> Year Payment	January 1 – December 31, 2016	First Sunday in April 2017	May 2, 2017
3 <sup>rd</sup> Year Payment	January 1 – December 31, 2017	First Sunday in April 2018	May 2, 2018
4 <sup>th</sup> Year Payment	January 1 – December 31, 2018	First Sunday in April 2019	May 2, 2019
5 <sup>th</sup> Year Payment	January 1 – December 31, 2019	First Sunday in April 2020	May 2, 2020

LOCAL SUPPLEMENT

LOCAL 180 – UAW

RACINE, WISCONSIN

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# ARTICLE I RECOGNITION

- A. The Company recognizes the Union as the exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay wages and other conditions of employment for all of its Racine County production and maintenance employees covered by this local agreement excluding the following:
  - Executives, department heads, supervisors and others having the right to hire and discharge or effectively recommend such action.
  - Administrative, engineering, experimental dynamometer test and research, and plant security employees.
  - 3. Clerical and office employees, except those employed on work which is covered by classifications listed in the Hourly Job Classification Listing of this Agreement.

# ARTICLE VI UNION REPRESENTATION

## **Section 1. Bargaining Committee**

A. Such a committee shall include not more than the following number of company paid members who shall be the President, Chairman of the Bargaining Committee and Committeemen

according to the following ratio. The President and Chairman of the Bargaining Committee shall count as two of the number of total committeemen at all levels of employment.

Active Employees N	umber of Committeemen
Under 250 250 to 400 Greater than 400	4 5 6
Croator triair 100	· ·

Employment numbers will be reviewed during the first week of September, January and May of each year and the number of Company paid members will be adjusted at that time if needed.

- B. The Union will designate an Assistant Chairman of the Bargaining Committee who will act as an assistant and alternate to the Chairman of the Bargaining Committee and will be one of the company paid members of the Bargaining Committee. In no event will the Company be required to pay for more than the allotted number of Bargaining Committee members. In the absence of the Chairman of the Bargaining Committee, the Assistant Chairman of the Bargaining Committee's jurisdiction will be extended to cover that of the Chairman of the Bargaining Committee until his return.
- C. The Company will continue to allow the Election Committee of Local 180 the use of in-plant space for the purpose of conducting local elections for Union offices on the same basis as in the past.

The annual polling list as presently constituted, will be provided without charge.

#### Section 3. Stewards

There will be twelve (12) districts which shall be established by mutual agreement between the Company and the Bargaining Committee. One (1) steward will be elected for each district. If the employment levels increase from the base of 347 employees by fifty (50) employees an additional district will be agreed upon by the Company and the Bargaining Committee. Similarly, any decreases in employment by fifty (50) will result in the reduction of one district. This process shall be repeated for every increase or decrease of fifty (50) employees.

# ARTICLE IX SENIORITY

## Article IX Section 5. Layoffs

Α

- 1. As a general rule, it is intended that in a reduction in force, the employee with the least seniority in the classification in the overtime district (Overtime districts are those defined in Exh bit 2. For those areas not listed in Exhibit 2, the overtime district is the same as the department.) will be displaced first from the affected overtime district, then will exercise his seniority in his classification by displacing the least senior employee in that classification. After exhausting his seniority in his classification, he will displace the least senior in his Select or Non-select seniority unit.
- 2. For SELECT classification moves described in this Section #5 and in Section #6, the

employee must have the ability to perform the work as set forth in Section #7 (Central Language). An employee whose records satisfactorily indicate that he possesses the ability required to perform the work will be given a break-in period to acquaint himself with the equipment and the work to be performed. This break-in period shall include training the employee to become acquainted with the peculiarities of the work in question. It shall not include teaching an employee the basic functions and fundamentals of the job. Such break-in period shall not be less than five (5) workdays.

3. Employees being reduced to a NON-SELECT classification will be given a reasonable training period in order to learn the job within the classification.

В

- For the purposes of this contract, classifications are listed in the Hourly Job Classification Listing.
- 2. For the purpose of this contract, Exhibits 3 & 4 are the list of SELECT classifications.
- 3. For the purpose of this contract, Exhibits 3 & 4 are the list of NON-SELECT classifications.
- 4. For the purpose of this contract, Exhibit 2 is the list of overtime districts.

Any changes in the classifications and existing overtime districts as they affect seniority movement will be by mutual agreement.

C. Layoffs and transfers in lieu of layoffs shall be as follows:

- Step 1: The least senior employee within an overtime district and classification will be reduced. If reduced from the classification and overtime district, the employee then bumps the least senior in the Select unit if the position reduced is a select position or the least senior in the non-select unit if the position reduced is a non-select position.
- Step2: Within the SELECT unit if he becomes the least senior employee within his classification and a further reduction in his classification becomes necessary, he will displace the least senior employee within the SELECT unit conditioned upon his ability to perform (per Article IX, Section 7) in this new classification in line with his seniority.

When determining the new assignment for transfer in lieu of layoff, if legitimate reasons dictate it is necessary for the employee being laid off from his SELECT classification to bypass the employee with the least seniority in the SELECT unit, the employee being laid off will then be permitted to replace the least senior employee in the next classification within the SELECT unit conditioned upon his ability to do the work up to his seniority. This procedure may be permitted to continue, if necessary, until he becomes the least senior employee in the SELECT unit. In the application of the above procedure, a classification will not be considered if it is one from which an employee has been disqualified, unless the employee, as made known to the Company, has obtained the skill and ability to be reconsidered since the disqualification. If an employee assigned to a SELECT classification fails to perform satisfactorily after a break-in period, he will proceed directly to Step 3 of the layoff procedure.

Step3: The employee(s) without an assignment after the application of Step 2 above will be laid off from the SELECT seniority unit and will, seniority permitting, displace the least senior employee in the NON-SELECT seniority unit. He must be assigned to the classification of the least senior employee where he can be trained.

If legitimate reasons dictate it is necessary for the employee being laid off from his SELECT seniority unit or from a classification within the NON-SELECT seniority unit to bypass the employee with the least seniority in the NON-SELECT seniority unit, the employee being laid off will then be permitted to replace the employee in the NON-SELECT seniority unit with the next least seniority on a job he can perform with reasonable training. The above procedure may be permitted to continue, if necessary, until he becomes the least senior employee in the NON-SELECT unit.

- Step 4: When an employee becomes the least senior employee in his classification in the NON-SELECT unit, and he is to be placed on layoff, he will be allowed to exercise his seniority in the SELECT unit, providing he has the ability to perform the work as provided in Article IX, Section 7 (Central Language).
- Step 5: The employee(s) without an assignment after the application of Step 4 above will be laid off from the plant.

The seniority provisions shall not apply to temporary reductions of ten (10) work days or less. Any extenuating circumstances that require reductions in excess of ten (10) work days, but no more than twenty (20)-work days, will be discussed between the two parties for consideration of alternative solutions.

### Article IX, Section 6. Recalls

Laid off employees will be recalled in line with the ability to perform as follows:

- A. When a permanent vacancy exists in the plant, the vacancy will be filled by application of the Promotion Language spelled out in Article IX, Section 9. The resulting opening will be filled by recalling the most senior qualified employee from layoff.
- B. An employee who is laid off will be recalled in line with his seniority, whichever comes first to any classification in the SELECT unit or NON-SELECT unit.
  - Employees recalled under this provision above will be given a reasonable training period, if required. However, an employee recalled to a SELECT classification will be subject to the application of Article IX, Section 5, Paragraph 2 and Section 7.
- C An employee recalled from layoff status will not be permitted to bid for a posted job for a period of six (6) months from the date of most recent recall.
- D. Employees must return to whatever job they are recalled to or the employee will be considered to have voluntarily quit.
- E. In the event of like seniority dates, the Company will recall the lowest clock number first. In a reduction in force, the highest clock number will be laid off first, if the same seniority exists.

## Section 7. Ability to Perform the Work

Α

 Record update forms are available so that employees may inform the Company throughout the year of any work experience that they may have gained which might not be known. Upon completion and verification by supervision, these forms will be placed in the employee's personnel jacket.

2. Regarding our long-range plan to pursue a high technology manufacturing strategy, the parties recognize the need to substantially increase the skills of the workforce. In addition to the tuition refund program, the Company intends to conduct training opportunities for its' employees. Notices of these opportunities will be posted periodically throughout the plants. Those employees successfully completing those training sessions will be given appropriate consideration under the skill and ability provision of our contractual promotion language.

#### **Article IX Section 9. Promotions**

- A. When a vacancy exists, an employee shall be transferred into a permanent job in accordance with the following:
  - 1. The job posting procedure is as follows: The Company will select the qualified applicant through the job posting procedure. A vacancy will be posted in designated areas throughout the plant for a period of three (3) working days. Employees who have completed six (6) months of service and who desire to transfer to another job must submit a completed job posting request. An employee may not refuse a posting. If the successful poster, not including employees absent due to Workers Compensation, is not able to report within ten (10) working days, the next employee in line for the post will become the successful poster. Subsequent openings will be filled by the high seniority employee without a permanent job, then by recall, and then by hiring.
  - In filling the vacancy under the job posting procedure, the Company shall consider all eligible
    employees who have submitted an application. This will be done in line with their seniority
    providing they have the skill, ability, and physical fitness to properly perform the work. After a
    successful poster is selected, the Company will not cancel the opening.

- 3. A list of successful posters will be provided to the Chairman of the Bargaining Committee. When it is necessary to cancel an opening, prior to the successful poster being selected, the Company will notify the Union Committeeperson with the reason(s) for the cancellation noted on the Union's copy.
- 4. The employee selected shall be immediately listed as being assigned to the job classification. If the rate of pay for the new job is higher than his current position he will receive the difference, if any, between the rate of pay for the job classification in which he is working and the applicable rate of pay for the job he has been selected to fill. The employee will be transferred as soon as poss ble under the provisions below.

To allow for adequate training of the replacement candidate, yet move the employee in a timely manner, the following conditions will apply for employee movement.

- For Non-Select jobs, the employee who has been awarded the posting will be moved to the new position within two (2) weeks after the qualified replacement candidate is physically on the job to begin training.
- b. For Select jobs, the employee who has been awarded the posting will be moved to the new position within four (4) weeks after the qualified replacement candidate is physically on the job to begin training.
- c. If the Supervisor and Steward determine that the replacement candidate has demonstrated he is able to do the job in less than the maximum timeframe specified in a or b above, the employee will be released at that time.
- d. If the employee who has posted is not moved to the new position within the timeframe

specified in a or b above, the employee will receive a penalty payment of \$0.50 per hour until he moves to the new position. This payment will be made unless the training period for the replacement candidate has been extended by mutual agreement between the Supervisor and the Steward.

- e. If the training period has been extended by mutual agreement, the penalty payment will not apply for the agreed upon extension period. If the replacement candidate is disqualified or posts to another position, the penalty period starts over and will not begin until the next qualified candidate is physically on the job to begin training.
- f. The Human Resources department will be available weekly to meet with the area committeeman, if requested, to discuss the timely movement of employees. If a qualified replacement is not physically on the job to begin training within 30 days, the Chairman and the Human Resources Manager will meet to attempt to resolve the issue.
- 5. If the job is not filled by the application of the procedure above, the Company will fill the job in line with ability to perform:
  - a. With an employee who is not eligible for transfer under C of this section, provided he has submitted a job post within the proper time frame of the posting, and a ninety (90) day period has elapsed since his last job post. If selected as a successful poster, the employee will not have the right to return to his former classification. If the employee is returned under Section 5(E), he shall not be permitted to post for another job for a period of six (6) months following the date he was accepted for such job, and this ninety (90) day provision will not apply, or -
  - b. With an employee willing to accept the assignment, or -

- c. By hiring a new employee.
- B. The employee selected will receive a fair training period, if necessary. A fair training period is considered the length of time required by an average employee to achieve a satisfactory level of quality and production.
- C. An employee will be permitted two successful job postings in a rolling twelve (12) month period. In addition, an employee will be permitted to successfully post into a higher classification at any time.
- D. A transferred employee who fails to perform satisfactorily during a fair training period as provided for in B, will be disqualified and removed from his job, and will be placed in an opening or displace the least senior employee in the NON-SELECT unit. Removing the employee from the classification must take place before expiration of ninety (90) days, provided the Union Steward has been kept informed weekly of the employee's lack of progress. See LOU Disqualification 003-108 for special procedures related to that classification.
- E. Whenever the Company decides to fill a job classification vacancy for post under these procedures except as in G below, the "vacancy" shall be understood to mean a classification opening created by one of the following situations:
  - (1) Quit
  - (2) Discharge
  - (3) Death
  - (4) Retirement
  - (5) Induction into Armed Forces
  - (6) Permanent Transfer

- (7) Transfers out of the Bargaining Unit
- (8) Leaves of Absence requiring full time Union business
- (9) Leaves of Absence for full time position in government
- (10) Introduction of a new job (this includes adding employees in present classifications) or a machine or machinery required by or for a new job within the Bargaining Unit. Vacancy cannot occur if an active employee(s) has recall rights in the classification.
- (11) Permanent job openings created by the initial job posting
- (12) Peace Corps
- (13) Educational Leaves

#### F. MEDICAL REPLACEMENT AND/OR SHORT TERM MILITARY CALL UP

Openings created by an employee on a medical leave of absence when anticipated to be more than five days will in most cases be filled after the fifth day by:

An available employee who is capable of performing the assignment.

If a replacement is necessary, employees who are on layoff according to Article IX, Section 5, will first be considered.

If there are no employees on layoff, a new hire will be placed on the job. This employee will be informed that he is only temporarily assigned to the classification, and that he will be permanently assigned upon completion of the temporary assignment. Upon a reduction in the workforce this employee will be considered a probationary employee and will be the first to be removed from the classification. However, the seniority of the employee who is on leave will be considered as the controlling seniority for purpose of shift preference.

In extraordinary circumstances, when a qualified replacement cannot be found on the outside, and the work load within the department permits, an employee from within the department might

be assigned to the opening and his job filled temporarily from the outside. In the event there is more than one such employee, the least senior employee will be compelled to accept the assignment.

The above medical language will be used for the first six (6) continuous months of absence. After six (6) months the temporary medical vacancy will be filled by the job bid list. As a permanent position. If the employee on medical leave returns after six (6) continuous months, he will return to his regular job, if capable, and the junior employee in the department/classification will be reduced.

### Section 10. Preferential Assignments to Light Work

Employees who become permanently unable to handle their regularly assigned job in their classification because of physical disability may with documented proof, be transferred by the Company according to the following procedure:

- 1. The employee will be placed in any vacant job in his classification and department that fits the restrictions of the employee.
- 2. If there is no vacant job in his classification and department, other jobs in his classification and department held by less senior employees will be reviewed in seniority order until a job that fits the restrictions of the employee as determined by the Company Medical Director is identified. If a job in his classification and department is found suitable to the employee's ability he will displace the least senior employee with that employee filling the job from which the disabled employee was removed.

- 3. If no suitable job can be found in step 2, the employee will be treated as a reduction in force from his classification and in line with his seniority and the provisions of the layoff procedure, he can use the bypass provisions to arrive at work that is suitable to his condition. This classification shall then become his recallable classification.
- 4. When a medical restriction is issued to an employee when he is in his recallable classification, and he can still carry on the duties of his recallable classification, the employee upon being reduced will still maintain his recallable classification. An employee while reduced from this recallable classification, who seeks a medical restriction based on physical disability, will lose his recall rights to his recallable classification and his new recallable classification will be the classification to which he is assigned as a result of the restriction being issued on his behalf.

The above procedure shall not apply to employees who are temporarily incapacitated.

## Section 16. Skilled Trades Seniority

- C. 1. Employees in Skilled Trades classifications listed below shall not be covered by Article IX, Sections 8 of the Central Agreement, and Article IX, Section 9A(1), (2), B, G of the Local Supplement.
  - a. Carpenter, Maintenance
  - b. Electrical, Maintenance
  - c. Grind, Cutter and Tool
  - d. Machine & Tool Maintenance
  - e. Mechanical Maintenance Millwright/Weld
  - f. Pipe and Steamfit/Weld
  - g. Paint, Maintenance

- h. Sheet Metal Maintenance/Weld
- i. Tool and Die, Make/Weld
- j. Inspection, Layout Journeyman

As a permanent vacancy occurs in a Skilled Trades classification, the vacancy will be filled according to the following procedure:

- Employee(s) with recall rights to the classification will be recalled to classification and department. If that creates a vacancy internal to Skilled Trades, within classification and department, employees shall poll for that vacancy. Recall and/or polling activity will be handled by the Skilled Trades Committeeperson.
- 2. The second vacancy created within the classification as a result of (1) above will be filled in the same manner and on the same basis set forth in (1) above.
- 3. When it is necessary to fill a vacancy in a Skilled Trades position after application of (1) and (2) above, the Company shall utilize the job bid procedure and select applicants in line with their seniority as follows:
  - With a qualified candidate who has bid for the vacancy and meets the requirements of Article IX, Section 16B or -
  - b. If no qualified applicants can be found, the Company will hire a Skilled Tradesman who meets the requirements under Article IX, Section 16(B)

A Skilled Trades employee, who has been laid off, or transferred in lieu of layoff, from his proper recallable classification and department shall be recalled in reverse order of layoff. First, to his classification, and second, as the opening occurs to his proper recallable department as listed in

Exh bit 1, which had been established by hire, job bid or shift preference. An employee may exercise shift preference at the time he is reduced from his recallable classification without affecting his recall rights.

## C. (2) Skilled Trades Medical Replacement

The procedure for replacing a Skilled Tradesman who is absent from work due to an extended medical or other leaves of absence will be as follows:

Available employees from the Skilled Trades Department within the affected classification will be polled. The most senior person requesting the opening will be put on the job.

The following opening will be filled from an employee on layoff. If no employee is laid off, the vacancy will be filled with the temporary transfer of a qualified journeyman, currently not in Skilled Trades, but a part of the active workforce. If no temporary transfer is feasible, a new hire will be placed on the job.

However, the seniority of the employee who is on leave will be considered as the controlling seniority for purpose of shift preference.

When the employee returns from medical leave, the person replacing that person will be moved back to their original job.

The above language will be used for the first twelve (12) continuous months of absence. After twelve (12) months the temporary medical vacancy will be treated as a permanent position and filled through the job bid procedure. If the employee on medical leave returns after twelve (12) months, he will return to his regular job, if capable, and the junior employee in the department/classification will be reduced.

## C. (3) Workforce Rebalance.

Whenever it becomes necessary to rebalance the workforce by shift in a Skilled Trades department, employees in that classification will be polled in seniority order to determine shift preference. The most senior employee in each classification will be awarded the available openings.

# ARTICLE XI HOURS OF WORK AND OVERTIME

## Section 3. Shift Schedules

E. (1) Change Notification - In administering Section 3, Paragraph E of Article XI, of the Central Agreement, the written notice concerning shift schedule change will be given to the Chairman of the Bargaining Committee and the Committeeman of the area, five work days before the change of schedule is made. It is understood that the scheduling of additional hours of work with the employees still working during the established period shall not be considered a change of shift schedule, nor shall weekend overtime schedules be subject to this notification.

## Article XI, Section 8. Overtime Distribution and Administration

A. The area Committeeperson will administer the overtime provisions. In his absence from

work, the 1st shift department steward shall perform this function; in the steward's absence, the 1st shift alternate steward.

- (1) The Company will incur no monetary penalties resulting from this administration.
- (2) The overtime scheduling process shall be subject to the final approval of the area manager or his designee, i.e. who is actually scheduled to work.
- (3) Union officials shall not receive extra compensation for these duties.
- (4) The Company's management team will support the overtime solicitation process by:
  - a.) Providing adequate notice in writing (electronic or hard copy) to the committeeperson of the need to schedule overtime preferably by noon on Wednesday.
  - b.) Educating the committeeperson during the transition period on who is qualified to do what.
  - c. ) Allowing the committeeperson to complete the scheduling in an expedient manner. The committeeman will provide notice in writing, via email, to the requestor of who will be working the overtime hours within 24 hours of being provided written notice via email of the need for the overtime. The 24-hour period will begin with the time on the email or, if hard copy, with the time handed to the committeeman which time shall be noted on the hard copy.
- B. The premium hours of overtime available in each classification in an overtime district shall be distributed as equally as possible among the employees regularly working in each such

classification and overtime district, providing in all cases the employee is qualified to perform the work required. In administering this overtime article the Supervisor and the Steward will work together in maintaining the twenty four (24) hour spread in overtime hours

- C. If additional employees are needed for overtime in a classification in an overtime district, such premium hours of overtime will be distributed among the employees in other classifications or overtime districts who are capable of performing the work.
- D. Overtime work which is general to the overtime district, such as cleaning up the entire area overtime district will be divided among the employees in the overtime district, who have the least amount of overtime, regardless of classification.
- E. "Premium hours" as used herein shall mean one (1) hour of overtime credited for each hour for which time and one half is paid or charged, and one and one-half (1-1/2) hours of overtime credited for each hour for which double time is paid or charged.
- F. The phrase "as equally as possible" referred to above, means that at the 15th of each month the spread between the employee with the least amount of credited "premium hours" and the employee with the greatest amount of credited "premium hours" in the affected classification, and overtime district shall not exceed twenty four (24)-premium hours. The Company shall have fifteen (15) additional days after the 15th of the month in which to bring the overtime spread to within the twenty four (24) hour spread. If the premium hours of overtime are not distributed "as equally as poss ble" (as herein defined), at the end of this period, the employee(s) adversely affected shall be paid the amount in excess of twenty four (24)-hours of the spread between his premium hours and the premium hours of the employee with the greatest amount of credited overtime (Example: if the employee(s) with the greatest amount of credited premium hours in the affected classification and department or overtime district has 100 hours of credited overtime at the end of the month, and the

low employee(s) has only 67 hours, then the employees who are not within the 24 hour spread, equal to the number of employees causing the imbalance, will be paid the additional nine (9) hours of overtime premium to close the gap to twenty four (24) hours). After the application of the one-for-one payment required above, and for the remaining number of employees not within the twenty four (24) hour spread, the above language will apply in balancing the overtime.

G. If an employee is transferred from his regular classification to another classification to work overtime on a premium day and the work to which he is assigned has not been declined by all qualified employees in the classification and where the work is to be performed, the employee entitled to such overtime assignment, i.e., the qualified employee with the least premium hours at the time of the assignment, will be paid as if he worked that assignment. This provision shall not apply if there are no qualified employees working in the classification and on the shift involved when the assignment is made, provided the absence of such qualified employees is caused by the failure of employees to report as scheduled.

Employees working on a premium day may work in another classification provided such work is necessary to the work in the employee's classification. The work performed however, will not equal, in total, four (4) hours or more work for one employee. In such cases, the department steward, if working in his area of representation, will be notified of such assignment. If the steward is not there, he will be notified on the next available work day.

- H. Employees who are scheduled for overtime work as provided in B, C and D of this section, must be familiar with the work to be performed, and able to perform it satisfactorily without a training period.
- I. The Company will provide the area committeeman with any records necessary for the committeemen to keep records of the overtime distribution. Such records shall be detailed and kept up to date and jointly reviewed with the supervisor of the area weekly. A new overtime

record will be established effective with the date of the new agreement and each January 1 starting at zero ("0") hours with the remaining overtime spread reflected, and continue until the following January 1st. The overtime records shall be posted in a conspicuous place in each department or overtime district.

## (Example of Computation)

Clock #	<u>Name</u>	Old Total	New Total
XXXX	J. Doe	65	15
XXXX	J. Smith	50	0
XXXX	W. Clark	55	5
XXXX	R. White	60	10

J.. In the event daily overtime is scheduled, the Company agrees to notify the area committeeman or steward as soon as the decision is made. Notification to employees of daily overtime will take place by management providing written notification, signed by the supervisor or manager on the departmental bulletin boards no later than ½ hour prior to the end of the shift the day before the overtime is scheduled. A portion of the bulletin board will specifically be designated for overtime postings. Any employee so scheduled may be compelled, and will be charged as if he worked the overtime. An employee will not be compelled to work overtime unless he is notified the day before such overtime is to be worked. If an emergency arises which requires overtime and the employee is asked to work at least two (2) hours prior to the end of his shift, the employee who refuses will not be compelled but will be charged as if he worked the overtime. If an employee is asked to work less than two (2) hours before the end of his shift and he refuses, he will not be compelled and will not be charged. An emergency shall consist of one of the following: mechanical breakdown, power failure, material shortage has not been arranged

in advance, the employee who is offered work and refuses, will be charged as if he worked the overtime. If it becomes necessary to cancel daily overtime, the Company will notify the employees affected as soon as possible but in any event no later than three (3) hours prior to the end of the regular shift except in the case of an emergency as defined above. If overtime work is not available as scheduled, the employee will be given the opportunity to work on alternative work, or in lieu thereof, paid for such time lost.

- K. In the event of overtime scheduled on Saturdays or Sundays which the employee is not otherwise regularly scheduled to work, the Company agrees to notify the employee(s) required to work at least by the end of their shift on Thursday for Saturday overtime, and by the end of their shift Friday for Sunday overtime. For those second shift employees scheduled to work Saturday or Sunday first shift overtime hours, every effort will be made to notify those employees during their shift on Wednesday for the Saturday overtime and during their shift on Thursday for the Sunday overtime. Notification will take place by management providing written notification, signed by a supervisor or manager on the departmental bulletin boards. Employees not so notified will not be compelled to work and will not be charged unless the failure for timely notification is caused by (1) the emergency conditions described in Paragraph J above, or (2) by absenteeism of another employee which has not been arranged in advance which is the cause for assigning the overtime to the specific employee. Employees will not be scheduled for less than four (4) hours of overtime on Saturdays and/or Sundays.
- L. An employee who is either regularly scheduled to work on Saturday and/or Sunday, or scheduled according to K above, and who is not notified of the cancellation at least by the end of their shift on Thursday for Saturday overtime, and by the end of their shift Friday for Sunday overtime for which he has been scheduled, will be given the opportunity to work as scheduled or, in lieu thereof, paid for such time lost. If an employee is offered such work but does not work as scheduled, he shall not be paid, and will be charged for the time he was scheduled to work. This provision does not apply if the Saturday and/or Sunday work is canceled due to a mechanical

breakdown, power failure, material shortage, labor dispute or Act of God.

- M. The necessity for overtime assignments is a management responsibility in conjunction with the maintenance of establishing schedules, and as such the following principles will apply:
  - (1) Employees will be canvassed to establish an overtime eligibility list. This list will be used as the basis for making overtime assignments and will remain in effect for six (6) months. Each employee must sign the list indicating either that he will or will not accept overtime assignments. A copy of this list will be provided to management. An employee offered work in another classification within his department or overtime district will not be compelled to work but will be charged as if he had worked the assignment. An employee offered work in another department or overtime district will not be compelled or charged for the overtime. In the event that an employee disqualifies himself for overtime assignments, he must remain on the "will not work" list for the balance of the six (6) month period and the premium hours will be charged to him as if he had worked the overtime assignment. An employee who has been awarded a job posting or who has been reduced to a new classification will be permitted to re-elect his will work or will not work option which shall be applicable to his new classification for the balance of the six (6) month period.
  - (2) If the quota needed cannot be filled from the "yes" list, the least senior, lowest hour, qualified employee in the classification and department will be expected to work unless he can obtain a suitable substitute.
  - (3) In the event that an entire classification in the overtime district is scheduled for overtime assignment, employees will be expected to perform the overtime assignment.
  - (4) All hours in excess of nine (9) hours in any work day shall be voluntary, provided the employee notifies the supervisor (on a form provided by the Company) at the time the

overtime is scheduled. No employee will be required to work more than eight (8) hours on Saturday. Employees will not be compelled to work more than two (2) consecutive Saturdays. If an employee voluntarily works a third Saturday this will not fulfill his obligation to work two (2) consecutive mandatory Saturdays should the next two (2) consecutive Saturdays be scheduled. If a scheduled mandatory Saturday overtime is canceled after the end of shift on the Thursday prior, it will count as one of the two mandatory Saturdays. Employees will not be compelled to work overtime on Sundays, Holidays, or Saturdays of Holiday weekends. All overtime hours worked and/or offered will be charged.

- An employee who utilizes pre-approved Paid Absence Allowance (PAA) on Friday will
  not be compelled to work the immediately following Saturday. An employee who
  utilizes pre-approved PAA on Monday will not be compelled to work the immediately
  preceding Saturday.
- (5) An employee who is contacted by telephone to work overtime will not be charged for refusal of such overtime. If the employee works, he will be charged.
- (6) An employee cannot be compelled to work according to the Letter of Understanding on Mandatory Overtime Assignments During a Vacation Week.
- (7) In cases of daily or weekend voluntary overtime the employee may not change their mind once their names are provided to management.
- N. The following rules shall apply concerning the distribution of overtime work and charging of premium hours.
  - (1) Shifts. Overtime in each classification will be distributed among employees regardless of the

- shift or shifts on which the employees work.
- (2) Service Departments. Employees of "service departments" such as workers in the "clean-up" gang, stock movers, etc., will be considered as working in the department or overtime district in which they regularly work.
- (3) An employee who is properly assigned to work overtime and who fails for any reason to work assigned overtime or who is excused or who is absent from work on a scheduled day when the overtime is scheduled will be charged the number of overtime distribution premium hours that would have been available to him.
  - If all employees in an overtime district are scheduled to work overtime, an employee who was absent the day the overtime was scheduled will be allowed to work the overtime if he reports to work.
- (4) Union Business. Any overtime hours lost as a result of an employee in the bargaining unit taking time off for union activities will be counted.
  - Members of the Bargaining Committee will be governed by the following rules regarding daily and/or weekend scheduled overtime:
  - (a) The Bargaining Committeemen will be eligible to work daily overtime in their assigned overtime districts.
  - (b) The Bargaining Committeemen are responsible for finding out if weekend overtime is scheduled in their overtime district
- (5) A new hire or transferred employee, other than temporary, to a new classification or overtime

district or to the same classification in a different overtime district will be charged with overtime hours to the greatest number of hours worked or charged by an employee in the same overtime district.

- (6) An employee returning from a layoff or other absence from work of five (5) or more working days including absence for vacation, sickness or injury will be charged with overtime hours sufficient to maintain the overtime spread which existed prior to his absence between he and the employee with the greatest number of hours worked or charged. For absences of six (6) months or longer, the returning employee will be charged with overtime hours equal to the greatest number of hours worked or charged by an employee in the same classification and department or overtime district.
- (7) Temporary Assignments. Employees who work overtime in an overtime district to which they have been temporarily assigned, will have such hours charged as overtime hours in their regular classification. Exception to this is referenced in the Letter of Understanding on Temporary Assignment/Overtime Distribution.
- (8) Notwithstanding the provisions of B, C and D of this section, employees in "overtime districts" set forth in this Agreement, shall divide overtime in the district in which they fall. Existing overtime districts may only be changed by mutual agreement between the Company and the Local Union Bargaining Committee. The Company may add new overtime districts with notice to the Union.
- (9) An employee will not be charged for any hours over twelve (12) refused in any day.
- O. The existing overtime districts will continue in effect as listed in Exhibit 2. Management may add new overtime districts with notice to the union.

# **ARTICLE XIV GENERAL PROVISIONS**

# Section 3. Safety and Health

The Safety Committee/Team will consist of representatives elected or appointed by the Union and representatives of management. It is agreed that the parties will establish participation as described in Article XIV Section 3(C) of the Central Agreement.

- J. Safety equipment provided:
  - Replacement welding helmets which are damaged or unusable for all welders
  - Plano safety glasses and clip-onsSweat bands (IPCO or equal)

  - Ear plugs and muffs
    Prescription safety glasses
  - Aprons Rubber or Cloth
  - Respirators for dust and paint
  - Face Shields

  - Cover goggles Clothing (special)
  - Hairnets
  - Protective Welding Aprons and Helmets
  - Rain Gear

- Gloves for sheet metal operators and welders as needed
- Hardhats (where designated by Safety Committee)
- Pick Truck Safety Harness (where required)
- Maintain department practice for providing foul weather gear
- Rubber Boots
- Prolex Wrist Supports
- Anti-V bration Gloves
- Prescribed Splint Wrist Brace
- Back Support Belts
- Safety shoes for painters permanently assigned to the paint booth in Dept. 494.

The initial issue of the above equipment will be provided at no cost to the employee. Upon return of damaged or worn-out equipment, replacements will be issued at no cost to the employees.

The Company will make supplementary payment for the purchase of metatarsal equipped safety shoes.

# **Article XIV, Section 12 Job Evaluation (New 2016)**

1. For the purpose of future job evaluations, after the Company rates a new classification or rerates a changed classification pursuant to Article XIII, Section 4, A, the Union may request the Local Plant Human Resource Manager for an opportunity to review the Company's Job Description and Job Substantiating Data Sheet for the newly rated or rerated classification, together with the Company's Job Rating Manual then in use. Upon the Union's request, the Human Resource Manager will arrange a meeting between two Management representatives and two Union representatives for the purpose of reviewing the requested information. Copies of the Job Substantiating Data Sheet and other relevant documents, will be given to the Union upon request. This understanding shall not affect the

Company's right to rate new classifications or rerate changed classifications according to the terms of Article XIII, Section 4, A, or the Union's right to grieve the Company's rating or rerating of the classification. Compliance with this procedure shall satisfy the requirement of Article XIII, Section 4, B, concerning availability of known facts.

- 2. Any complaints concerning the employee's standard shall be first raised between the UWSR, the employee and their supervisor. In such cases it is expected that within five business days of the complaint being raised they will review the method to include review of any elements that may be missing from the standard, feeds and speeds, work pace, etc. and investigate the facts in non-technical areas relating to the application of the standard and attempt to resolve any such problems.
- Read only or physical access to original standards and data, together with appropriate reference material shall be made available to the appropriate Union officials in such a manner that they may access the data at any time.
- 4. If the complaint has not been satisfactorily resolved in Item 2 the employee may file a written complaint on established forms and signed by the employee, specifying, as applicable, the part number, operation number, activity ID, man assignment, description and standard in dispute.
- 5. Within five business days of the initial review being completed, the UWSR and a representative from the applicable engineering department will jointly review the elements and standard in dispute and make any necessary corrections in the standard.

- 6. If the dispute still cannot be resolved the dispute will be subject to the grievance procedure. Any grievances filed under this Section will be considered in the third step of the grievance process. The UWSR and a representative from the applicable engineering department will participate in the third-step meetings and present the facts from their joint review for consideration.
- 7. If the dispute is not settled at the third-step meeting the grievance will be resolved through the normal process.
- 8. Time limits do not apply in the first eight weeks following a rebalance or product launch. The eight week period is not designed to delay action on a complaint but is a recognition that multiple complaints following a rebalance or product launch could lead to some delay. Employees will not be disciplined for job performance related to their standard until Step #6 above has been completed

# Article XIV, Section 13 – Bulletin Boards and Employee Notification (New 2016)

- A. Bulletin Boards will be established by the Company in each work area of the Plant.
- B. These bulletin boards will be utilized to publish information such as but not limited to:
  - Overtime
  - 2. Notices to employees of policy or policy changes
  - 3. Items of general employee interest

- C. Information which informs employees of policy or policy changes will be posted for 10 working days. The date and time of the notice will be noted on the posting. The area committeeman will be provided a written or electronic copy of the policy notice.
- D. Employees will be expected to review all notices posted to the bulletin boards in their area. If notices are posted pursuant to paragraph C. the employee shall be deemed to have been informed of the information and will be held accountable for its content. It is the employee's respons bility to ask for clarification of a notice if the contents are not clear.
- E. Human Resources will keep a chronological binder of all postings issued under paragraph C. If an employee is absent from work for more than ten days Human Resources will schedule a meeting with the employee upon their return and review all applicable postings issued during their absence.

# ARTICLE XV TERMINATION

This Agreement shall continue in full force and effect through April 30, 2022 and thereafter from year to year unless sixty (60) days prior to such date either party gives notice in writing of a desire to terminate the Agreement.

INTERNATIONAL UNION,

UNITED AUTOMOBILE, AEROSPACE AND AGRI-CULTURAL IMPLEMENT WORKERS OF AMERICA LOCAL UNION NO. 180

CNH Industrial America LLC

Rich Glowacki Jeff Vassh Craig Olsen Ken Hartog Eric Ambrose Yasin Mahdi Greg Zunker Bryan J. Lohstreter Shane Murray Jill Dunlop

## **LETTERS OF UNDERSTANDING - 1**

## **RE: ONE SUPERVISOR CONCEPT**

In cases of alleged insubordination or failure or refusal to follow instructions, if the employee involved contends that he has been subjected to conflicting instructions, no discipline more severe than suspension shall be imposed until after the question of conflicting instructions has been investigated. If it is determined that the conflicting instructions occurred, the employee(s) involved shall be reinstated with back pay.

It is agreed that the investigation shall be completed within two days of any discipline. If a grievance

is filed, it shall be processed directly to the third step of the grievance procedure.

The Company recognizes that it is desirable for employees to take orders from one supervisor. In line with this thinking the Company will instruct its supervision to relay orders through the immediate supervisor. The Company points out in this connection there may be extenuating circumstances (such as production difficulties, shop rule violations, safety hazards, etc.) which would require a contact by other Management personnel.

Local Union No. 180 CNH

## **LETTER OF UNDERSTANDING - 2**

## **RE: COMPANY PROVIDED APPAREL**

 Employees in the following classifications will be furnished, at their choice, either coveralls or uniforms at no expense to the employee.

347-109 Labor General Transmission Assembly Dept. 791

009-004 Automotive, Maintenance

048-004 Carpenter, Maintenance

135-003 Electrical, Maintenance

276-003 Mechanical, Maintenance, Millwright/Weld

321-003 Pipe and Steamfit/Weld

258-003 Machine and Tool Maintenance

306-005 Paint, Maintenance

420-003 Sheet Metal, Maintenance/Weld
498-003 Tool and Die, Make/Weld
438-008 Spray Paint
003-007 Assemble, Check, Repair – Transmission Test Stand Operator
003-007 QAA, Assemble, Check & Repair
003-006 Assembly, Utility, Repair (B)
003-005 Assembly, Utility, Repair (A)
255-006 Machine Group - Dept. 785
030-006 Gear Cut, Dept. 762/764
256-006 Machine Center

256-016 Moriseiki

Additionally employees assigned to handle oil drums and employees assigned to clean up or jobs involving very dirty or oily conditions will be issued coveralls on an as needed basis.

It will be the employee's responsibility to return soiled coveralls/uniforms as required so as to be eligible for clean coveralls. Employees will be held liable for the coveralls/uniforms while in their possession and financially responsible for their replacement. Should an employee under this paragraph leave a covered classification they will be required to return the uniforms or coveralls that they have been issued.

- The Company agrees to furnish individual foul weather coats to employees who are required to
  work outside the facility during the normal performance of their job assignments. These coats
  will be replaced at no cost to the employee when worn out if the employee presents the worn
  coat.
- The current uniform and coverall rental program will be discontinued as of the ratification of the 2016 agreement.

4. With the exception of classifications listed in Paragraph 1, employees who currently utilize the uniform and coverall rental program will be allowed to keep their current allotment of uniforms at no expense to the employee. The Company will no longer provide for or pay for laundry for the employees who retain their uniforms under this paragraph.

## **LETTER OF UNDERSTANDING - 3**

## RE: FOUL WEATHER TRUCK CABS OR CANOPIES FOR VEHICLES

The Company agrees to provide foul weather covering for fork trucks utilized to transport materials outside. These coverings will be made available upon request based on determination of need of the individual responsibility to the work discipline involved.

## **LETTER OF UNDERSTANDING - 4**

## RE: INVENTORY/VACATION SHUTDOWN/START UP PROCEDURE

Employees without sufficient vacation to cover the inventory/vacation shutdown and start up period may be assigned to work the first two weeks of an inventory/vacation shutdown. After which, work will be offered to employees in seniority order within the department

When there is an insufficient number of employees accepting the inventory/vacation shutdown assignment, the Company will compel employees to work inventory/vacation shutdown starting with the least senior employee in the department to the most senior employee until a sufficient number of employees are assigned to each department.

It is specifically understood that no SUB shall be payable during inventory/vacation shutdown weeks and Unemployment Compensation will not be contested for those employees refusing inventory/vacation shutdown assignment.

Start up week(s) will be offered to employees in seniority order within the department and classification needed to work. When there is an insufficient number of employees accepting the start up assignments, the Company will compel employees to work start up week(s) starting with the least senior employee in the department and classification necessary to perform the work to the most senior employee until a sufficient number of employees are assigned. It is specifically understood that no SUB shall be payable during start up week(s) and Unemployment Compensation will not be contested for those employees refusing start up assignments.

Employees who elect to work during the inventory/vacation shutdown/start up week(s) may schedule their vacation at a later date.

## **LETTER OF UNDERSTANDING - 5**

## **RE: CYCLE COUNTING**

During 2004 negotiations, the parties discussed cycle counting, a daily, on-going process of inventory evaluation utilizing individual parts counts by location. The verification of inventory would be

conducted by hourly employees, either by hand or scale count, sometimes requiring the movement of material. Count data is entered into computerized systems. Discrepancies are investigated by hourly and salaried personnel to determine the root cause of any error and corrective action is implemented. Inventory adjustments are made by both salaried and hourly personnel with appropriate sign offs as determined by our Finance Group.

Cycle counting is currently approved and implemented at the Racine Manufacturing Operations. It is conducted by hourly employees in classification 264-007, Material Coordinator, Labor Grade 7, Day rate (Formerly Schedule A).

## **LETTER OF UNDERSTANDING - 6**

#### RE: MEDICAL EXAMINATIONS FOR FORMER FOUNDRY EMPLOYEES

As a result of Negotiations, medical examinations will be performed for Local 180 former Foundry employees with more than one (1) year of Foundry service as follows:

Each eligible employee will receive a:

- 1. Post-closure examination
  - a) Physical examination
  - b) X-rays, chest and back (2 views)
  - c) Lung function test

## 2. Recheck examination

- a) X-ray every three (3) years by an X-ray technician. The plates will be read by a chest specialist in radiology.
- b) Any chest abnormality will require that the employee be placed on an annual X-ray recheck, or sooner at the discretion of the examination physician.
- c) Lung function test every three (3) years.

## 3. Retiree examinations

 a) X-rays and lung function test for all retiring former Foundry employees with one (1) or more years of service at the Foundry.

## **LETTER OF UNDERSTANDING - 7**

## RE: \$3,500.00 RECREATION FUND

In the 1998 Local Negotiations, the Company agreed to contribute \$3,500.00 during each year of the Agreement to the Local 180 Recreation Fund. These monies will revert to the Company as long as Local 180 members and retirees can attend the Company picnic.

## **RE: LOCAL UNION "PECKING ORDER"**

It is the Company's understanding that the Local Union's position with regard to the application of Seniority Preference concerning the "pecking order", is as follows:

- 1. President
- Chairman of Bargaining Committee 2.
- 3. Steward
- Bargaining Committeeman Vice President 4.
- 5.
- 6.
- Recording Secretary Safety Committeeperson 7.
- U.W.Ś.R.

## **LETTER OF UNDERSTANDING - 9**

## RE: RACINE MANUFACTURING OPERATIONS U.W.S.R.

In the event of temporary layoffs of 10 days or less if a joint review is already in progress, and the operator is working on the job being reviewed, the UWSR will be working until such time the review is completed.

## **RE: UNION OFFICIALS AND CANDIDATES FOR OFFICE**

As discussed during Local Negotiations, Union Officials, and candidates for Union Office, will inform the guard that he or she will be entering the plant for business. Upon entering the plant (he or she) will present (his or her) Company identification to the guard. In this regard, procedures will be established, and plant security will be informed, that as long as such procedures are followed, the individual Union member will be allowed to enter the plant.

## **LETTER OF UNDERSTANDING - 11**

## **RE: BENEFIT ENTITLEMENT**

It is agreed that Union Officers or Bargaining Committee members assigned to Dept. 140 will continue to receive all benefit entitlements under the Agreement as though they were assigned to their original department. At the time that the employee no longer holds union office he/she will be reassigned to their original departments.

## **RE: Alternative HOURS - RACINE FACILITIES**

This letter confirms the understanding reached during discussions in the 2016 local negotiations between the parties concerning alternative hours, on a facility by facility basis. It is understood by the parties that, when an overwhelming majority of employees within a facility request alternative hours and it is mutually agreed upon between Management and the Union, the following language will apply:

The parties agree that such changes in shift schedules are a deviation from Article XI – Central Agreement (Hours of Work and Overtime), Section 1 (B), Section 2 (B), and Section 5 A (1). Therefore, the parties agree that third shift starting time will be 10:00 p.m. in all of the above sections, for the purpose of establishing alternative hours.

This is done without precedence or prejudice and for the Racine facilities only, and can be terminated by either party giving the other party 15 days' notice of their desire to terminate this Agreement.

## **LETTER OF UNDERSTANDING - 13**

## **RE: PRODUCTION WORKFORCE REBALANCE**

During Negotiations, the subject of rebalancing manpower in a classification and department was discussed.

It was agreed that in conjunction with a reduction in force and/or rebalancing the workforce across shifts in a department, the following procedures will be used:

- A. The least senior employees in the classification and department will be removed from the affected shifts and in line with their seniority be given their choice of shifts.
- B. He will be placed on an open machine or job, whichever is appropriate, on a shift of his choice, or he will displace the least senior employee in his classification and department on a shift of his choice.
- C. These choices of jobs under rebalancing will not affect his proper recallable job.

## **LETTER OF UNDERSTANDING - 14**

## **RE: SKILLED TRADES BENCH ASSIGNMENTS**

The Company and the Union agree that in Skilled Trades classifications where benches are assigned, the following language shall apply:

Any future bench assignments, as they become available, shall be polled and the most senior tradesman of the classification and department where the vacancy was created will be awarded the bench assignment.

An employee who leaves the department for any permanent assignment will not retain any rights to a bench assignment should he return to the department at a future date.

The Supervisor shall not administer this bench assignment, but shall rely solely on the Skilled Trades Committeeperson to administer this agreement. Any problems associated with bench assignments will be resolved by the Chairman of the Bargaining Committee.

# Letter of Understanding – Transition of Oiler Duties - 15

During the 2016 negotiations the parties had discussions regarding the transition of dedicated oiler duties to Machine Repairmen and the impact on the existing Oiler. The parties recognized that the skillsets of the Machine Repairmen are such that they are fully capable of performing the oiler tasks in the course of their normal duties.

To facilitate this transition the parties agreed on the following:

- The incumbent Oiler will remain in his position until he bids out or leaves the company. At that time the classification of 276-107 – Mechanical Maintenance, Oil – will be retired at the Racine plant.
- As of the date of ratification of the Agreement employees in the classification of 258-003 –
  Machine and Tool Maintenance will begin performing all duties currently performed by the
  oiler.
- Machine Repairmen will be expected to perform other duties related to the functions of the Oiler as required.

## RE: GRIND, CUTTER AND TOOL TRAINING PROGRAM

## **PURPOSE**

Recognizing the acute shortage of skilled tool and cutter grinders (cutting tool grinders), and further, currently no apprenticeship training program is recognized for the trade. An on-the-job training program will provide for the presently employed grinders and new employees a well-rounded program of tool and cutter grinding (cutting tool grinding) principles and applications.

## BASIC REQUIREMENTS FOR ELIGIBILITY IN TRAINING PROGRAM

Ability to use geometric measurement devices.
Ability to read blueprints/tolerances.
Ability to utilize basic geometric concepts, including the cutting of angles.
Relevant machining experience.

## **EXTENT OF PERIOD OF TRAINING PROGRAM**

The program will consist of 30 months as indicated in the following schedule of processes, with the new employee starting as a drill grinder. The schedule of processes to be worked will not necessarily follow the sequence as indicated but will depend on the workload of the department. A log will be kept of all time spent in the processes in order that all employees will receive the training indicated.

Drill Grinder/Winslow 4 months Setting of Reamers, Cutters 2 months Grinder & Surface Grinder 1 month **Broach Grinding** 1 month Tap and Chaser Grinding 2 months O.D. Grinding 2 months Universal Tool & Cutter Grinder 5 months Hob Grinder 2 months Multi-Axis Grinder 4 months Radial Relief Grinder 3 months Retip and Fabricate 4 months

Employee's progress will be monitored regularly with formal evaluations being conducted at sixmonth intervals. Failure to successfully progress in the training program will result in the employee being removed from the training program and replacing the lowest seniority non-select position.

## COMPENSATION

First six (6) months	(80% of L.G. 5 Skilled Trades (Formerly Sch."C"))
Second six (6) months	(84% of L.G. 5 Skilled Trades (Formerly Sch."C"))
Third six (6) months	_(88% of L.G. 5 Skilled Trades (Formerly Sch."C"))
Fourth six (6) months	(92% of L.G. 5 Skilled Trades (Formerly Sch."C"))
Fifth six (6) months	(96% of L.G. 5 Skilled Trades (Formerly Sch."C"))

Upon completion of the training program (30 months), the employee will receive the maximum rate of the Grind, Cutter and Tool (174-005) classification.

Upon completion of the program, an appropriate certificate will be presented to the employees certifying completion of the program.

## **SPECIAL PROVISIONS**

## **RELATED INSTRUCTIONS**

No formal outside related instruction is to be provided. However, it is expected that where related instruction, such as mathematics and blue print reading, is required for the proper performance of the job requirements, the trainee will make arrangements to enroll at the local vocational school. CNH will make arrangements with the school to provide a training program to include not less than forty (40) hours to include shop mathematics, blue print reading, design of tools, and other information pertinent to the trade. Vocational school fees and educational materials will be paid by the Company.

## **LOCATION OF TRAINING**

The employee will remain on first shift at the Racine Manufacturing Operations for the entire training period, meaning he cannot be affected due to the exercise of shift preference. Trainees may be temporarily assigned to an off shift for specific training as required.

## **SENIORITY**

All questions relative to seniority provisions will be governed by the terms of the present agreement.

# Letter of Understanding - 17

## RE: Implementation of Grind, Cutter and Tool Training Program

During the 1998 negotiations, the parties agreed that in the implementation of the Letter of Understanding relating to Grind, Cutter and Tool Training Program it is necessary to have an appropriate number of skilled Grind, Cutter and Tool (174-005) employees to provide training for the program's participants.

Therefore, it is understood that the first two (2) or first and third openings in the Grind, Cutter and Tool Training Classification will be filled with current employees through the utilization of the Letter of Understanding relating to Grind, Cutter and Tool Training Program.

The remaining two (2) openings will be filled consistent with the collective bargaining agreement.

After the four (4) openings, any subsequent openings will be filled in ratio of four (4) experienced employees in the 174-005 classification to one (1) trainee.

## **LETTER OF UNDERSTANDING - 18**

## **RE: OUTSOURCING AND SUB-CONTRACTING**

It is understood that this Letter of Understanding pertains only to the Racine facilities and will not be a practice or set precedence in any other of the Company's facilities at other locations.

## Committee:

The committee for outsourcing and sub-contracting will be comprised of the following people for the Local Union:

President
Chairman of the Bargaining Committee
Skilled Trades Committeeman (if Skilled Trades Work)
Or the appropriate Committeeman from the affected production area.

## Notification:

## A. Outsource:

- (1) Any production and/or Skilled Trades work normally performed in the Plant going to any outside source, third party or within the Company will be discussed at the appropriately scheduled sub-contracting meeting.
- (2) Information to be furnished to the Union at this meeting will be:
  - a. Where the work is going.
  - b. Reason the work is leaving.
  - c. Cost factors, if decision to outsource is based on cost.
- (3) Also at this meeting the Union will have a chance to discuss and influence the Company to keep work in-house, acknowledging that the final decision will rest with the Company.
- (4) If time constraints do not allow for notification of outsourcing, the Company will notify the Union at a following meeting.
- B. <u>Sub-contract Work normally performed:</u>

- (1) Defined as "any normally performed bargaining unit work performed by any outside source within the plant"
- (2) When work is to be sub-contracted, a meeting will be held to discuss:
  - a. Exact description of work to be done plus location.
  - b. Estimated number of workers to complete the project, plus classifications affected.
  - c. Actual numbers when project starts with updates as applicable.
  - d. Estimated time period to complete work/and recall workers if applicable.
  - e. If decision to sub-contract is based on cost, the Company will furnish cost factors.

## C. <u>Sub-Contract – Work not normally performed:</u>

(1) Work not normally performed by bargaining unit personnel will be discussed during subcontracting meetings for the purpose of resolving arguments on "work normally performed".

## Warranty Work:

If work in plant is performed by an outside source and is subject to warranty work, the Company will present upon request by the Union documentation on the equipment involved and the length of warranty.

Records and documents on warranty work will be access ble to the Skilled Trades Committeeman in a specified area to be named by the Company.

## Service Work:

Defined as: Work important to and directly related to future expected

maintenance and/or repair function which unit people cannot perform or need help to perform.

In the event a Skilled Tradesman needs assistance in the repair or adjustment of a piece of equipment, that Trades person will notify the appropriate maintenance supervisor, who will contact the service person.

After the notification to the service person, the maintenance supervisor will notify the appropriate steward, so the Union knows the service person is coming into the plant.

In the event that production supervisors, process engineers, or any other salary personnel requests a service person be called, they will contact the appropriate maintenance supervisor who will contact that service person after being told for what purpose. Again, the maintenance supervisor will contact the appropriate Union Steward so the Union knows that service person is coming.

Upon arrival at the plant location, the service person will report to the maintenance supervisor who in turn will, whenever practical, introduce that service person to the appropriate Skilled Tradesman who will be allowed, if practical, to observe, train or participate on the particular work to acquire the necessary familiarity or training.

#### **LETTER OF UNDERSTANDING - 19**

RE: OUTSOURCING/SUBCONTRACTING OF PRODUCTION AND/OR SKILLED TRADES WORK

In 1994 Local Negotiations the parties spent considerable time discussing methodologies by which more of the subject work could poss bly be done in-house by Company employees. Ideas generated

included more hourly employee participation at the lowest organizational level of the facility in an effort to identify least cost alternatives. To accomplish this objective the management of Racine Plants commits to thorough discussions regarding task definition, time lines, cost, marshalling of resources, etc. with the appropriate Union Representative prior to final outsourcing/subcontracting decisions being made. As part of this process, the appropriate Committeeperson will be a key resource who will help facilitate this communication including the identification of potential resources within Racine Plants for straight time or overtime assignments.

#### **LETTER OF UNDERSTANDING - 20**

#### **RE: REASONABLE OVERTIME**

The Company agrees to continue to perpetuate its past practice of working reasonable overtime hours, where practicable, in production areas where material has been subcontracted giving due consideration to factors such as, but not limited to cost, equipment availability, production requirements and things of similar nature as outlined in the applicable Letter of Understanding.

## **LETTER OF UNDERSTANDING - 21**

#### **RE: ABSENTEEISM-OVERTIME**

In order to establish a uniform procedure to deal with overtime absenteeism, the Company has established the following corrective disciplinary action:

First Offense: Written Warning

Second Offense: One (1) day disciplinary suspension

Third Offense: Three (3) day disciplinary suspension

Fourth Offense: Discharge

If an employee's attendance is deemed acceptable for a period of six (6) months or longer, he will be subject to a repeat of the last penalty, rather than to progress to the next step. If his attendance is acceptable for a period of one year or longer, he will be subject to a penalty one step lower than his previous penalty.

If an employee's attendance is deemed acceptable for a period of eighteen (18) months or longer, he will be subject to a penalty two (2) steps lower than his previous penalty.

## **LETTER OF UNDERSTANDING - 22**

#### **RE: JOB TRAINING ON OVERTIME**

For the purpose of training for employees on job related items, the following exceptions to Article XI, Hours of Work and Overtime, shall apply:

A. Employees required to work overtime for training purposes will be scheduled by Supervision. This overtime eligibility list will not apply to this type of overtime.

B. All hours worked on overtime for this type of training will not be counted in maintaining the twenty four-hour spread on the overtime distribution.

# **LETTER OF UNDERSTANDING - 23**

#### RE: TEMPORARY ASSIGNMENT/OVERTIME DISTRIBUTION

When an employee(s) is temporarily assigned to a different department or overtime district and reports on a regular basis to this new assignment under the temporary assignment provision, the premium hours shall be handled in the following manner:

- All premium hours worked on temporary assignment will not be charged back to the employee's department unless the total amount of time spent on the temporary assignment exceeds fourteen (14) calendar days. All overtime hours worked after fourteen (14) calendar days will then be charged back to the employee(s) classification, department, or overtime district.
- When premium hours are scheduled in the employee(s) regularly assigned classification and department or overtime district, and the employee(s) temporarily assigned would normally have been scheduled to work, the hours scheduled shall be charged to maintain the overtime balance.
- If the employee temporarily assigned can be contacted and is available to work the premium hours in their regularly assigned classification and department, or overtime district, he/she shall be allowed to work the hours.

## **LETTER OF UNDERSTANDING - 24**

#### RE: PROCEDURE FOR HOURS WORKED ON A PAID HOLIDAY DATE

If the Company deems it necessary and schedules work to be performed on a paid holiday date which falls within the employee's normal five-day (40 hours) work week, the following will apply:

- 1. Hours worked on a holiday falling during the normal 40 hour work week will be treated as straight time and not charged as overtime hours.
- When work is performed on a holiday, the employee will be paid double time for the hours worked plus his holiday pay if otherwise qualified (Article XI, Section 10, paragraph G).
- 3. Selection of an employee(s) to work will be on a seniority basis for the classification and department scheduling the work.
- 4. Because these hours are not overtime hours, an employee is not disqualified from available work if he has not signed for overtime work.
- Employees selected must be able to perform the scheduled work. Persons who have medical restrictions limiting their ability to perform the scheduled work will be by-passed in seniority and will be told of this decision individually.
- 6. Such work available on paid holidays will be on a seniority basis rotating down the seniority list as such work becomes available. Selection will start from the least senior employee who worked the prior holiday down the seniority list. When a particular project requires that employee(s) carry out a project spanning several days, the situation will be discussed prior to assigning employees, with

the area committeeman.

# **LETTER OF UNDERSTANDING - 25**

#### **RE: VACATION ASSIGNMENTS SKILLED TRADES**

To effectively implement the provision of Article XII with respect to the Skilled Trades employees, the following provisions are agreed to for the duration of this agreement.

- 1. Vacation assignments for the employees designated above will be arranged on a year-round basis from June 1 through May 31 of each calendar year.
- 2. When there are subcontractors in the plant, during vacation shutdown, doing work normally and customarily performed by skilled trades, on a one for one basis, skilled trades employees will not be required to take vacation during the annual two (2) week vacation shutdown period.

# **LETTER OF UNDERSTANDING - 26**

## **RE: VACATION POLICY, ARTICLE XII**

To help implement the provisions of Article XII, Section 2, paragraph A, Vacation Assignments, the Company agrees to honor an employee's request for his desired vacation time outside the normal vacation period when such request has been made, in writing, and approved, in writing, by his immediate Supervisor. This request must be made within thirty (30) days following the posting of the official vacation notice throughout the plant.

# **LETTER OF UNDERSTANDING - 27**

#### RE: PROMOTION PLAN/INSPECTION (198-005/198-004/198-045)

- Inspect Quality Assurance (198-005) will be the only vacancy filled through the bid procedure, unless the following procedure has been exhausted and no successful candidate has been chosen:
  - a) If a vacancy occurs as defined in Article IX, Section 9, F, in classification Inspect and Repair Measuring Instruments (198-004), the employee with the most continuous classification seniority in the Inspect Quality Assurance (198-005) classification will be offered the promotion and, if accepted by the employee, will be promoted provided he demonstrates that he has the knowledge, experience, and ability to perform the work involved in the Inspect and Repair Measuring Instruments (198-004) Classification.
    - If the employee with the most continuous classification seniority cannot meet the requirements of the job, the next most senior employee will be promoted provided he demonstrates that he has the knowledge, experience, and ability to perform the work involved in the 198-004 Classification.
    - If the above employees cannot meet the requirements of the job, the Company will
      continue the above process in seniority order until a successful candidate is
      chosen. If the employee deemed not qualified upgrades his skills, this will be taken
      into consideration for future promotions.
  - b) If a vacancy occurs as defined in Article IX, Section 9, F, in classification Inspection, Layout

(198-045), the employee with the most continuous classification seniority in the Inspect and Repair Measuring Instruments (198-004) or Inspect Quality Assurance (198-005) classifications will be offered the promotion and, if accepted by the employee, will be promoted provided he demonstrates that he has the knowledge, experience, and ability to perform the work involved in the Inspection, Layout (198-045) Classification.

- If the employee with the most continuous classification seniority cannot meet the requirements of the job, the next most senior employee will be promoted provided he demonstrates that he has the knowledge, experience, and ability to perform the work involved in the 198-045 Classification.
- If the above employees cannot meet the requirements of the job, the Company will continue the above process in seniority order until a successful candidate is chosen. If the employee deemed not qualified upgrades his skills, this will be taken into consideration for future promotions.
- c) Continuous classification seniority shall be defined to include seniority gained while the subject classification is listed as the employee's classification. Once an employee is accepted for the promotion to the next classification, this new classification becomes the employee's new recallable classification.

## **LETTER OF UNDERSTANDING - 28**

RE: PROMOTION PLAN TRANSMISSION ASSEMBLE, UTILITY & REPAIR (003-006 & 003-005)

The rules and procedures for progression of employees from Transmission Assemble, Utility, & Repair B (003-006) to Transmission Repair A (003-005) are as follows:

- Transmission Assemble, Utility and Repair B (003-006) will be the only vacancy filled through the bid procedure
- 2. If a vacancy occurs as defined in Article IX, Section 9, F, in classification Transmission Repair A (003-005), the employee with the most continuous classification seniority in Transmission Assemble, Utility and Repair B (003-006) will be offered the promotion and, if accepted by the employee, will be promoted to the vacancy, provided that employee has the skill, ability, and physical fitness to properly perform the work of the job classification. (Elig ble employees qualifications will be established by an on the job performance test.)
- 3. If such employee cannot comply with the necessary requirements, the Company shall go to the employee with the most continuous classification seniority in the department and continue the process until an employee is selected who qualifies for such vacancy.
- 4. Continuous classification seniority shall be defined to include seniority gained while the subject classification is listed as the employee's classification. Once an employee is accepted for the promotion to the next classification, this new classification becomes the employee's new recallable classification.

**LETTER OF UNDERSTANDING - 29** 

# RE: PROMOTION PLAN REPAIR, TRACTOR BAY, MAJOR (369-014) ASSEMBLE, UTILITY & REPAIR (003-006 & 003-005)

The rules and procedures for progression of employees from Assemble, Utility and Repair to Repair, Tractor Bay Major are as follows:

- Assemble, Utility and Repair B (003-006) will be the only vacancy filled through the bid procedure.
- 2. If a vacancy occurs as defined in Article IX, Section 9, F, in classification Assemble, Utility and Repair A (003-005), the employee with the most continuous classification seniority in Assemble, Utility and Repair B (003-006) will be offered the promotion and, if accepted by the employee, will be promoted to the vacancy, provided that employee has the skill, ability, and physical fitness to perform the work of the job classification. (Eligible employees qualifications will be established by an on the job performance test.)
  - a) If such employee cannot comply with the necessary requirements, the Company shall go to the employee with the next most continuous classification seniority in the department and continue the process until an employee is selected who qualifies for such vacancy.
- 3. If a vacancy occurs as defined in Article IX, Section 9, F, in classification Repair, Tractor Bay, Major (369-014), the employee with the most continuous classification seniority in Assemble, Utility and Repair A (003-005) will be offered the promotion and, if accepted by the employee, will be promoted to the vacancy, provided that employee has the skill, ability, and physical fitness to properly perform the work of the job classification. (Elig ble employees qualifications will be established by an on the job performance test.)
  - a) If such employee cannot comply with the necessary requirements, the Company shall go to

the employee with the next most continuous classification seniority in the department and continue the process until an employee is selected who qualifies for such vacancy.

4. Continuous classification seniority shall be defined to include seniority gained while the subject classification is listed as the employee's classification. Once an employee is accepted for the promotion to the next classification, this new classification becomes the employee's new recallable classification.

## **LETTER OF UNDERSTANDING - 30**

# RE: RACINE MANUFACTURING OPERATIONS, Q.A.A., ASSEMBLE, CHECK, AND REPAIR (003-007)

This Letter outlines the skill levels required for progression to this level of the classification (003-007) and how employees will be moved to 'Certification' status. The intent is to have people fully respons ble for the quality of the product they are processing and each will be inspecting their own work.

Employees that Bid or are placed into this classification will have the opportunity to reach a Q.A.A. Certification level based on the following:

# **EMPLOYEE SKILLS**

Listed below are the minimum requirements, and/or qualifications an employee must have in order to be considered for a Q.A.A. job assignment during a reduction in force or recall. An employee must meet one of the following requirements:

 Worked in Inspect Assembly classification (198-005) or Repair Tractor B (003-006) for a period of at least 3 months or Assemble, Check Repair (003-108) for a period of at least 6 months or where the Company's records or an employee's background as made known to the Company indicate that he can do the work in questions with a "break-in" period, he will be allowed such a "break-in" period, see Article IX, Section 5, Paragraph 2.

## **TEAM ASSIGNMENT**

- Employees will be in teams as required and assigned to work on the line and these employees
  will create or choose their own team. If this cannot be done, then the Company will make the
  assignments for the unfilled teams.
- Team size and number of teams could be changed in the future for such reasons as production schedule changes, new model introduction, reprocessing, employee utilization, (this is not an all inclusive list but only used as an example).
- Should team size or number of teams change, the use of seniority will be applied for both reduction and increases.

# **CERTIFICATION PROCESS**

- 1. Supervised by Management members from Assembly and Quality Control.
- The QAA will perform each man assignments two times for a total of six (6) units. After each of
  the six units the employee and supervisor will review the completed unit to QC/Assembly
  specifications as identified in the standard with the steward present.

- 3. Review will be based on defined specification during certification.
- Items out of employee control because of repair magnitude or time constraints will not be included in evaluation for certification.
- Certification for employees in the classification will be within sixty (60) days of entry into classification or earlier.
- 6. Certification will be placed in the employee's personal record.
- 7. Re-certification will be required for significant model changes, process changes or at least annually on an individual basis.

# **OVERTIME DISTRICT**

- 1. It is agreed that the Overtime District for Q.A.A. employees would be in District 1.
- 2. If there is Q.A.A. work on the line, Q.A.A. would do this work. If the repair work is in the Bay Area, the Repair Classification would do the work.
- If additional employees are needed for overtime in Repair, the Q.A.A. employees will be asked first.
- 4. Overtime distribution will be per the bargaining agreement.

# **TOOLS**

- Employees placed in the Q.A.A. classification will be supplied any tools required for sixty (60) days
  if they don't already have them. After sixty (60) days they will be required to supply their own tools
  up to and including one inch or 25 millimeters.
- 2. The Company will supply all metric tools over 25 millimeters.

## **LETTER OF UNDERSTANDING - 31**

#### **RE: Mandatory Overtime Assignments During A Vacation Week**

During the 1998 negotiations, the Union expressed its concern regarding the application of mandatory overtime assignments on the Saturday of an employee's vacation. In response to this concern, the Company stated its intent, that when an employee schedules a full week or more of vacation (i.e., at least five consecutive work days), the Company will not schedule an employee for a mandatory overtime assignment on a Saturday that falls within the vacation period (e.g., the Saturday in the middle of a two week vacation) or on the Saturday immediately preceding or following a one week, Monday through Friday, vacation period. This limitation on the Saturday immediately following a vacation period shall also apply for employees who are entitled to one-half week of vacation and who schedule vacation for Wednesday, Thursday and Friday. A limitation also applies for the immediately preceding Saturday for employees who are entitled to one-half week of vacation who schedule vacation for Monday, Tuesday and Wednesday.

#### **LETTER OF UNDERSTANDING - 32**

#### RE: SELECTION OF SKILLED TRADES PARTICIPATION

The Company recognizes that in today's workforce, the need to upgrade skill levels is necessary to meet the needs of new technology. The Company, when poss ble, provides the necessary training to meet the demands for higher skill levels and will try to provide the opportunity for all skilled trades to remain updated in technology as it applies to his/her trade. Skilled Trades employees must realize that when the opportunity for training is offered it is to everyone's advantage that all efforts are made to attend the training provided. Failure to attend when scheduled could result in long delays on being rescheduled or possibly never getting rescheduled depending on the dates the training is offered.

Listed below are guidelines pertaining to skilled trades employee selection for training schools. Please see that the appropriate personnel receive a copy.

- Schools will include specific training for certain areas and specific machines. In these situations, tradesmen from that area will be scheduled first since these are the employees immediately involved with the equipment. If the Company intends to expand-the number of employees in an area and these employees can be identified, they shall be scheduled next.
- 2. Any further scheduling of training from #1 or any training general to the trade will be done by utilizing the seniority list from that plant.
- An employee who has already attended a particular school, training session or seminar, will be skipped when that particular training is being offered. Exceptions would be if the training has changed over the years, or if it is felt that the employee needs an update.

- 4. In administering these procedures, the Company will work with the skilled trades committeeman in the selection procedure from the seniority list so any problems can be mutually resolved. It is agreed that in the selection of training, employees stationed to specific machines or areas may not be selected in seniority order. If the most senior employee is not selected, he will be selected at a later date.
- 5. One additional person will be selected for each school to serve as an alternate.
- 6. Employees will be given two weeks' notice of plane departure and accommodations.
- 7. If an employee refuses his turn at school, he will be automatically skipped until his turn comes up again. If the school comes up in the future, the employee will be given the opportunity to attend, in line with his seniority.
- An employee who was bypassed, because he previously attended a particular school, will be selected for the next school offered.
- An employee absent for any reason who cannot be asked, will be selected for the next school, as soon as he can be contacted.
- Some situations will dictate a necessity to deviate from these guidelines. The Company will
  discuss each situation as it arises with the skilled trades committeeman before implementing any
  deviations.

These guidelines will periodically be reviewed and revised as necessary.

## **LETTER OF UNDERSTANDING - 33**

## **RE: SKILLED TRADES OUT OF TOWN JOB ASSIGNMENTS**

When Skilled Trades employees are away from the workplace on Out of Town Job/Training Assignments they shall not be charged for overtime hours offered in their classification in excess of hours paid. Any Skilled Trades employee(s) away from the workplace on such an assignment shall be entitled to make up the difference in overtime hours lost due to being out of town. (Example: Entire Department is scheduled for twelve hours. When the employee(s) that are on Out of Town Job/Training Assignments are only working 8 hours and receiving 2 hours of travel time for a total of 10 hours, they shall not be charged for the additional hour(s) not worked and shall be entitled to make-up the additional hour(s) that were lost due to being on the Out of Town Job/Training Assignment.)

#### **LETTER OF UNDERSTANDING - 34**

#### **RE: SATURDAY OVERTIME**

The Local Union has expressed a strong desire to avoid mandatory Saturdays. During periods of prolonged overtime, the Company agrees to meet, at the Union's request, to discuss poss ble alternatives to working overtime. It is not the intention of the Company to use prolonged periods of overtime to replace line balance changes.

# Letter of Understanding -35

#### Re: DISQUALIFICATION OF 003-108

During the 2016 negotiations the parties discussed the procedure to be followed when an employee is disqualified from a job in classification 003-108 Assemble – Check – Repair

It was agreed that an employee so disqualified will be placed in an open job in their classification and department if available. If no such job is available the employee will first be placed in an open job in their classification plant wide and if no open job exists the employee will displace the lowest seniority employee in their classification plant wide. If the employee cannot perform the job they are moved to after disqualification they will be placed on layoff status. Human Resources and the Union Chairman will regularly review open fill jobs and place such laid off employees on suitable openings.

The open job from which the employee is disqualified will be treated as a fill job.

# Letter of Understanding - 36

## **Re: POOL PERSON PREMIUM**

During the 2016 negotiations the parties had discussions surrounding the recognition of the added knowledge required to be a pool person. In recognition of that issue the parties agreed that employees who bid into designated pool person jobs will receive \$0.50 per hour on top of their regularly scheduled rate of pay.

# Letter of Understanding – 37

# Re: FIT FOR DUTY REVIEW

During the 2016 negotiations the parties discussed what to do in situations where an employee's personal physician and the Company doctor disagreed on the employee's ability to perform the work. In those situations the following process shall be used to resolve the dispute:

- 1. Only employees who are on a non-occupational medical leave of absence of greater than 60 calendar days will be required to undergo a Fit For Duty (FFD) examination by a physician selected by the Company prior to their return to work. Such examination will be limited to the condition that prevented the employee from working but the physician will not ignore other obvious medical issues. If in such cases the Company physician's findings disagree with the findings of the employee's personal physician the two physicians will consult in an effort to reach consensus on the employee's fitness for duty. In order to facilitate these reviews employees must sign a release allowing the Company physician to obtain relevant medical records.
- 2. If after consultation the two physicians are unable to reach a consensus on the employee's fitness for duty the employee consents to undergo an Independent Medical Examination (IME). The parties will attempt to identify a mutually agreeable independent physician but if after 14 calendar days a physician cannot be agreed upon by the local parties the Director, NAFTA Labor and Employee Relations and the UAW International Servicing Representative will meet to choose the physician. The exam will be arranged as soon as possible. A and S or LTD benefits as applicable will continue while waiting for the exam. The Company shall bear the cost of the independent physician.

- 3. The decision of the IME physician will be final and binding on the parties. Should the IME support the employee's unrestricted return to work the employee will be made whole for any lost earnings. Lost earnings will be computed from the date on which the findings of the employee's personal physician are presented to CNH Industrial America LLC Human Resources Department and will be offset by any payments made by the Company under its A and S or LTD benefit systems, holiday pay, or unemployment compensation. The records will be presented to the Human Resources Department for chain of custody purposes only in a sealed envelope for transmittal to Medical Services.
- 4. If the decision of the independent physician supports the findings of the Company physician the independent physician will be considered the treating physician only for purposes of any payments under the Weekly Accident and Sickness Benefit (A and S) or Long-term Disability benefits and the benefit shall continue until weekly eligibility under the plan is exhausted or the employee no longer qualifies for the benefit under the terms of the plan.
- 5. The independent physician will be requested to provide an opinion under what, if any, circumstances the employee may return to work.
- 6. If objective medical evidence is presented to the Human Resources Department for transmittal to Medical Services that shows that the employee's condition has materially changed in such a manner that they may be able to return to work the employee may request to be reexamined by the Company physician and, if necessary, an independent physician. The records will be presented to the Human Resources Department for chain of custody purposes only in a sealed envelope for transmittal to Medical Services.

Letter of Understanding – 38

# **Re: TEST STAND OPERATORS**

As of the first full pay period following ratification the Valve-room test stand operators (defined as CCH - stand 910019, CCM - stand 910022, Service Valves – stand 910011) in Overtime District 777 – Valves – will be moved to classification 003-007 QAA, Assemble, Check, Repair.

**RACINE** 

**EXHIBITS** 

# Exhibit 1

Removed during 2016 negotiations

# **EXHIBIT 2**

# OVERTIME DISTRICTS - EACH COST CENTER (cc) REPRESENTS ITS OWN OT DISTRICT

# **DEPARTMENT 494 MAIN TRACTOR LINE**

District 1 -	cc 486 -	Final QAA
District 2 -	cc 482	Chassis Line
District 3 -	cc 487	Cab Line
District 4 -	cc 489	Tire Mount
District 5 -	cc 494	Final Assembly
District 6 -	cc 495	Tractor Repair
District 7 -	cc 483	Main Line Paint
District 8 -	cc 493	Tracks

# **DEPARTMENT 498 LOGISTICS**

District 1 -	cc 283	Material Coordinators Tractor
District 2 -	cc 540	Shipping & Receiving
District 3 -	cc 751	Material Coordinators Fabrication
District 4 -	cc 759	Cycle Count

District 5 - cc 231 Material Coordinators Transmission

# **DEPARTMENTS 220/221 QUALITY CONTROL**

District 1- cc 721 Receiving Inspection

District 2 - cc 723 Assembly Inspection

District 3 - cc 722 Central Layout

District 4 - cc 720 Gage Lab

# **DEPARTMENT 791 TRANSMISSION ASSEMBLY**

District 1 - cc 757 Late Stage

District 2 - cc 788 Magnum Range & Speed Line

District 3 - cc 787 CVT

District 4 - cc 789 Transmission Repair

District 5 - cc 797 Magnum Final Drive Line

District 6 - cc 798 Test & De-Prep Area

District 7 - cc 778 Tube Line

# **DEPARTMENT 792 COMPONENTS**

District 1 - cc 792 Combine

District 2 - cc 793 Fargo

District 3 - cc 542 MFD

# **DEPARTMENT 777 VALVE ROOM**

# **DEPARTMENT MACHINING**

District 1 -	cc 739	Toyoda Cell 9
District 2 -	cc 760	Induction Hardener
District 3 -	cc 761	Bearing Retainers
District 4 -	cc 762	Gear Cut
District 5 -	cc 763	Clutch Carriers
District 6 -	cc 764	Toyoda Cell 15
District 7 -	cc 765	Toyoda Cell 16
District 8 -	cc 766	Axles
District 9 -	cc 768	Axle Carriers
District 10 -	cc 769	Combine Mori Seiki

District 11 cc 770 Combine Axles District 12 cc 774 Tractor Final Drive District 13 cc 775 Valves District 14 -Front Frames cc 776 District 15 cc 783 Toyoda Cell 8 District 16 cc 784 Toyoda Cell 7 **Planetary Carriers** District 17 cc 785 District 18 cc 786 **Differential Case** Range, Speed & Pump District 19 cc 794 District 20 cc 796 Toyoda Cell 14

# **DEPARTMENT 741 FACILITIES**

cc 735 Tool Room

cc 741 Facilities

# cc 743 Skilled Trades

Each trade will be considered its own overtime district

## DEPARTMENT 795 PRODUCT DEVELOPMENT CENTER

Each classification will be considered its own overtime district

There will be two pollings for overtime elig bility. The first polling will generate an eligibility list for working overtime within each Overtime District. The second polling will generate an eligibility list for working overtime within the 003-108 and 264-007 Classifications in the Department. Overtime assignments will first be made from the district lists, with additional manpower assigned from the department list.

If employee(s) are working overtime as a "suitable substitute" out of their overtime district, such hours will not be charged back to their own overtime district.

# **EXHIBIT 3**

# DAY RATE (FORMERLY SCHEDULE A) – HOURLY RATE PLAN RACINE MANUFACTURING OPERATIONS

CLASSI-FICATION

NUMBER	LABOR GRADE	
003-005	Assemble, Utility and Repair A (S)	5
003-006	Assemble, Utility and Repair B (S)	6
198-004	Inspect and Repair Measuring Instruments (S)	4
198-005	Inspect Quality Assurance (S)	5
264-007	Material Coordinator (S)	7
276-107	Mechanical Maintenance, Oil (NS)	7
369-014	Repair Tractor Bay Major (S)	4

# **EXHIBIT 4**

# INCENTIVE PLAN (FORMERLY SCHEDULE B) - HOURLY RATE PLAN RACINE MANUFACTURING OPERATIONS

# CLASSI-FICATION

NUMBER	JOB CLASSIFICATION	LABOR <u>GRADE</u>
003-007	QAA, Assemble, Check, Repair (S)	7
003-108	Assemble, Check, Repair (NS)	8
003-017	Product Development Center – Tractor (S)	7
003-027	Product Development Center – Transmission (S)	7
030-006	Bore/Lathe/Gear Cut (S)	6
189-016	Heat Treat, Induction Harden (S)	6
231-016	Lathe, N.C. (S)	6
255-006	Cross/Transfer(S)	6
255-006	Machine Group/Cross Dial (S)	6
256-006	Machine Center/Toyodas (S)	6
256-006	Machine Center(S)	6
256-016	N.C. Machining Center (S)	6
057-006	Gear Unit Utility Operator B(S)	6
347-109	Production General B (NS)	9
438-008	Spray Paint (S)	8

# **EXHIBIT 5**

# SKILLED TRADES (FORMERLY SCHEDULE C) - HOURLY RATE PLAN RACINE MANUFACTURING OPERATIONS

# CLASSI-FICATION

NUMBER	JOB CLASSIFICATION	LABOR GRADE
048-004	Carpenter, Maintenance	Max. 4
	Min. Gr. 5 Entry Gr. 6	
135-003	Electrical, Maintenance	Max. 3
	Min. Gr. 4 Entry Gr. 5	
174-005	Grind, Cutter and Tool	Max. 5
	Min. Gr. 6 Entry Gr. 7	
198-045	Inspection, Layout	Max. 3
258-003	Machine & Tool Maintenance	Max. 3
	Min. Gr. 4 Entry Gr. 5	
276-003	Mechanical Maintenance Millwright/Weld	Max. 3
	Min. Gr. 4 Entry Gr. 5	
306-005	Paint, Maintenance	Max. 5
	Min. Gr. 6 Entry Gr. 7	
321-003	Pipe and Steamfit/Weld	Max. 3
	Min. Gr. 4 Entry Gr. 5	
420-003	Sheetmetal, Maintenance/Weld	Max. 3
	Min. Gr. 4 Entry Gr. 5	

Tool and Die, Make/Weld Min. Gr. 4 Entry Gr. 5

498-003

Max. 3

# Wage Schedule 1

Wage Schedule 1 (effective first full pay period after written notice is received that Agreement has been ratified). Applicable to employees hired on or after May 2, 2004, including Skilled Trades employees, regardless of hire date. (All of the current accumulated COLA of eighty-eight cents (.88) is folded in to Schedule 1-A before the first year wage increase; for skilled trades employees all of the current accumulated COLA of eight dollar and fifteen cents (\$8.15) is folded into Schedule 1-B before the first year wage increase.)

# Schedule 1-A

Labor Grade	Current Schedule 2C Wage (60 mo)	Add COLA	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	2022 COLA Payout
9	\$14.45	\$15.33	\$15.94	\$16.58	\$17.08	\$17.59	\$18.12	\$18.75	\$20.16
8	\$15.04	\$15.92	\$16.56	\$17.22	\$17.74	\$18.27	\$18.82	\$19.47	\$20.93
7	\$15.63	\$16.51	\$17.17	\$17.86	\$18.39	\$18.94	\$19.51	\$20.20	\$21.71
6	\$16.27	\$17.15	\$17.84	\$18.55	\$19.11	\$19.68	\$20.27	\$20.98	\$22.55
5	\$16.91	\$17.79	\$18.50	\$19.24	\$19.82	\$20.41	\$21.03	\$21.76	\$23.39
4	\$17.59	\$18.47	\$19.21	\$19.98	\$20.58	\$21.19	\$21.83	\$22.59	\$24.29

**Skilled Trades - Schedule 1-B** 

Labor	Current Wage	Add	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Grade	With COLA	COLA							
ST7	\$25.86	NA	\$26.64	\$27.43	\$27.43	\$27.43	\$27.43	\$27.43	NA
ST6	\$26.16	NA	\$26.94	\$27.75	\$27.75	\$27.75	\$27.75	\$27.75	NA
ST5	\$26.49	NA	\$27.28	\$28.10	\$28.10	\$28.10	\$28.10	\$28.10	NA
ST4	\$26.86	NA	\$27.67	\$28.50	\$28.50	\$28.50	\$28.50	\$28.50	NA
ST3	\$27.22	NA	\$28.04	\$28.88	\$28.88	\$28.88	\$28.88	\$28.88	NA

Based on skill, experience and/or other related factors including local market conditions, the Company reserves the right to accelerate an employee through a step or steps of this Progression Schedule.

The Company shall have the right to make local market based adjustments during the term of the agreement.

# **Wage Schedule 1-A Progression for Employees**

Wage Schedule 1 (effective first full pay period after written notice is received that Agreement has been ratified). Applicable to employees hired on or after May 2, 2004, excluding skilled trades employees, regardless of hire date. (The current accumulated COLA of eighty-eight cents (.88) is folded in to the Wage Schedule after the first year wage increase).

Start 92% of forty-eight (48) month rate 12 months 94% of forty-eight (48) month rate 24 months 96% of forty-eight (48) month rate 36 months 98% of forty-eight (48) month rate 100% of forty-eight (48) month rate

Based on skill, experience and/or other related factors including local market conditions, the Company reserves the right to accelerate an employee through a step or steps of this Progression Schedule.

The Company shall have the right to make local market based adjustments during the term of the agreement.

# Wage Schedule 1 Progression for Skilled Trade Employees

Wage Schedule 1 (effective first full pay period after written notice is received that Agreement has been ratified). Applicable to skilled trades employees regardless of hire date. (The current accumulated COLA of eighty dollars and fifteen cents (\$8.15) is folded in to the Wage Schedule).

Based on skill, experience and/or other related factors including local market conditions, the Company reserves the right to accelerate an employee through a step or steps of this Progression Schedule

The Company shall have the right to make local market based adjustments during the term of the agreement

### **Effective First Monday following written notice of ratification**

#### Wage Schedule A

Employees hired before May 2, 2004 (excluding skilled trades employees, regardless of hire date). All eight dollars and fifteen cents (\$8.15) of accumulated COLA has been folded into these wage rates, and is included in both of the two Wage Schedules (A and B).

Labor Grade	Schedule A	Schedule B
9	\$23.79	\$24.99
8	\$24.15	\$25.37
7	\$24.47	\$25.72
6	\$24.84	\$26.11
5	\$25.22	\$26.53
4	\$25.61	-
3	\$26.06	-

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### Wage Schedule A 231

### Employee Transactions and Totals (Excel)

Time Period: 8/23/2021 - (b) (6), (b) 021 Query: Previously Selected Employee(s)

Pay Codes: (6): |UU No Report In|UU Late|UU Late Lunch|UU Leave Early|UU Personal|UU Sick|

Actual/Adjusted: Show hours worked in this period only.

Data Up to Date:

Executed on: 1/24/2022 2:24PM GMT-05:00

Printed for: 057231

UU Sick

1/24/2022 1:24:17	۲	Λ
-------------------	---	---

\$0.00

Transactions:				Pay Code		Hours	Money	Days Entered By	Datasource
Employee: (b) (6), (b) (7)(C)	ID: (0) (6), (0) (7)(C	Day Wed	Date	UU Sick	TOLONO DE LO CONTRA	8.00	\$0.00	061087	Timecard Editor
b) (0), (b) (r)(C)		Thu	021	UU Sick		8.00	\$0.00	061087	Timecard Editor
		Tue	2021	UU Sick		8.00	\$0.00	062399	Timecard Editor
		Wed	2021	UU Sick		8.00	\$0.00	062399	Timecard Editor
Fotals:						alone de la competita est	LUC CONSTRUCTION CONTROL	and communicated all control of c	
Employee:	d Riverage	Pay Code		Hours	Money		Days	Wages	
b) (6), (b) (7)(C)	(b) (6), (b) (7)(C)	UU Sick		32.00	\$0.00		0.00	\$0.00	
Summary Totals:					and the second s				
Pay Code		Hours	Money	Days	Wages				
AT AA MA BINDING BEEN AND CONTRACTOR OF THE SECOND	ACRES OF ACCOUNTS OF A PARTY AND ADDRESS OF A PARTY AND A PARTY AN			0.00	<b>*</b> 0.00				

\$0.00

32.00

0.00



## PROBATIONARY EMPLOYEE PERFORMANCE EVALUATION

This form must be completed and returned to Human Resources after the following evaluation periods: 40/80/110 days 1. EMPLOYEE IN(6), (6), (6), (7)(C) Job Title: (b) (6), (b) (7)(C) Employee Name: (b) (6), (b) (7)(C Supervisor/Reviewer: Review Period (40/80/110 day): II. CORE COMPETENCIES Performance Category Rating Comments and/or Examples SAFETY: Knows and applies safe work □ Exceeds Expectations Wears all required PPE practices and meets safety standards. Wears proper PPE, guards against work hazards, X Meets Expectations and meets housekeeping standards. ☐ Needs Improvement □ Unacceptable QUALITY: work is completed accurately (few ☐ Exceeds Expectations or no errors), efficiently and within deadlines with minimal supervision. X Meets Expectations Consistently performs at a high level. □ Needs Improvement □ Unacceptable RELIABILITY/DEPENDABILITY/ATTENDANCE: □ Exceeds Expectations nas four occurrences, if Manages time and workload effectively to takes any more, their will be a □ Meets Expectations meet responsibilities. Reports to work on meeting in HR to discuss this. time and begins work promptly (start of □ Needs Improvement shift/after lunch and break). X Unacceptable KNOWLEDGE/TECHNICAL SKILLS/WCM: □ Exceeds Expectations s where hould be for demonstrates knowledge of the job the short time has been here. X Meets Expectations requirements, applies required technical skills, learned required skills in an acceptable □ Needs Improvement timeframe. Actively participating in WCM □ Unacceptable activities, including Kaizen and suggestions. COOPERATION/TEAMWORK: respectful of □ Exceeds Expectations The incident with shift colleagues when working with others and operator has been worked thru, ☐ Meets Expectations makes valuable contribution to the team. and I don't believe it will happen X Needs Improvement again. □ Unacceptable This performance evaluation is not a guarantee of employment during the probationary period. The Company reserves the right ly time during the probationary period. 7621 (b) (6), (b) (7)(0 (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) n Resources Signature Date

#### (b) (6), (b) (7)(C)

From:

(b) (6), (b) (7)(C)(CNH Industrial) (b) (6), (b) (7)(C) cnhind.com>

Sent:

Monday, January 24, 2022 2:34 PM

To:

Subject:

FW: (b) (6), (b) (7)(C) Probationary review

**Attachments:** 

(b) (6), (b) (7)(C) robationary reveiw

From (b) (6), (b) (7)(C) (CNH Industrial)
Sent: Monday, (b) (6), (b) (7)(C) 2021 11:30 PM

(7)(C)<sub>(CNH Industrial)</sub> <(b) (6), (b) (7)(C)<sub>20 cnhind.com</sub>;

(b) (6), (b) (7)(C) (CNH Industrial)

Subject:

Probationary review



(b) (6), (6), (7)(C)

Shift Machining Supervisor 2701 Oakes Rd, Sturtevant, WI

53177 Ph. (b) (6), (b) (7)(C)



## Agricultural and Construction Equipment



# NOTICE OF DOCUMENTED COACHING

EMPLOYEE NAME (b) (6), (b) (7)(C)	EMBION EE ID	EMPLOYEE CLASSIFICATION
SITE Racine Plant		COST CENTER
The state of the s		794
REASON FOR DISCIPLINARY ACT PLANT RULE VIOLATION	ION (Explain completely in	detail)
EST ENTINOLE VIOLATION	OTHER (Explain below)	
NATURE OF DISCIPLINARY ACTIO	N - DOCUMENTED COACHI	NG ONLY
		- CONTROL OF THE CONT
DETAILS OF INCIDENT	The state of the second of the	
DATE OF INCIDENT 2021	T1) 45	
_		OF INCIDENT 9:00AM
21pcs 18 speed sewer cover fou 100% check in the gage plan. D wrong gage was used.	nd to have over sized bore ial bore gage 90-05-1-01 wo	(# 15 bore dia. 92.037 +/013mm) that is a as either not used, used incorrectly or the
The purpose of this Documented continued, may result in disciplin	Coaching is to give you ar e up to and including termi	n opportunity to change behavior that, if
Specific behavior that needs mo	edification and related Plan	t Rule # if applicable are:
GENERAL REQUIREMENTS		
36. Failure to follow established o	uality procedures.	
39. Poor workmanship or inattentive	ness resulting in scrap, rewor	k, or repair.
	(D) (6). (D)	
12-10-2	(6), (b) (1)(C)	(b) (6), (b) (7)(C)
Sign (b)	(b), (b) (7)	
(b) (c), (b), (r)	ewed by	(b) (6), (b) (7)
		in and

#### (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)<sub>(CNH Industrial)</sub> <(b) (6), (b) (7)(C)<sub>@cnhind.com</sub>> From:

Monday, January 24, 2022 5:15 PM (b) (6) (7)(C) Sent:

To:

Subject:

FW: Write up for attend and Documented Coachin (b) (6), (b) (7)(C) arts. Documented Coaching (b) (6), (b) (7)(C) (2-10-21.pdf; attend 12-10-21.pdf Attachments:

CNH Industrial)

(b) (6), (b) (7)(C) (CIVH Industrial) (b) (6), (b) (7)(C) (c) (b) (6), (b) (7) (6), (b) (7)(C)<sub>CNH</sub> Industrial)

acnhind.com> (b) (6), (b) (7)(C) (CNH Industrial) @cnhind.com>

Subject: Write up for attend and Documented Coaching not gauging parts.

(b) (6), (b) (7)(C)

Shift Machining Supervisor 2701 Oakes Rd, Sturtevant, WI

(b) (6), (b) (7)(C)



### Agricultural and Construction Equipment



## NOTICE OF DOCUMENTED COACHING

EMPLOYEE NAME (b) (6), (b) (7)(C)	EMPLOYEE ID	EMPLOYEE CL (b) (6), (b) (7)(C)	ASSIFICATION
SITE		COST CENTER	
Racine Plant		794	
REASON FOR DISCIPLINARY ACTION (EX	<b>xplain completely in c</b> THER (Explain below)	detail)	
NATURE OF DISCIPLINARY ACTION - DO	CUMENTED COACHIN	NG ONLY	
DETAILS OF INCIDENT			
DATE OF INCIDENT 2021	TIME	OF INCIDENT _	9:00AM
21pcs 18 speed sewer cover found to 1 100% check in the gage plan. Dial bord wrong gage was used.		•	· .
The purpose of this Documented Coac continued, may result in discipline up to			change behavior that, if
Specific behavior that needs modifica	ition and related Plan	nt Rule# if appli	icable are:
GENERAL REQUIREMENTS			
36. Failure to follow established quality	procedures.		
39. Poor workmanship or inattentiveness	resulting in scrap, rewo	rk, or repair.	
(b) (	6) (b) (7)	(C)	
(b) (6), (b) (7)(C)	Newpervisor		o) (6), (b) (7)(C)
(b) (6	s), (b) (7)(	<b>C</b> )	(b) (6), (b) (7)(C)
iewea i	by		W sed by – Steward S utre

(b) (6), (b) 1750 hours was Laadino (b) (6), (b) (7)(C) 1830 hours

**6** 

## (b) (6), (b) (7)(C)

From: Sent: To: Subject: Attachments:	(b) (6), (b) (7)(C) (CNH Industrial) < (b) (6), (b) (7)(C) (Cnhind.com > Eriday, January 21, 2022 6:17 PM  (b) (6), (b) (7)(C) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c
Sent: Saturday, December 11, 3 To:(b) (6), (b) (7)(C) (CNH In (b) (6), (b) (7)(C) (Cnd In (b) (6), (b) (7)(C)	NH Industrial) 2021 7:15 PM dustrial) < <mark>(b) (6), (b) (7)(C)</mark> @cnhind.com>; <sup>(b) (6), (b) (7)(C)</sup> CNH Industrial) It machine
shift operator, and a document	with the hoist still connected to the part on the pallet, this caused the down time for the machine. The part on the arguments with the machine parts causing scrap to be produced, because of all of this lated. I am not sure if the arguments causing scrap to be produced, because of all of this lated. I am not sure if
If s a permanent employee	I will start the write up process.

Thanks



(b) (6), (b) (7)(C)
Shift Machining Supervisor
2701 Oakes Rd, Sturtevant, WI
53177
Ph. (b) (6), (b) (7)(C)

# TWTTP + HERCA (Focus on Quality)



Problem: O	perator s	ent pallet in to ma	ICDINA WII	ifh the (Onereties /:	rm to determine if Lack of K (i.e. Code, Description,					
	or in location i	to the pallet, causi	ing dami	age to Operation S	heet, Standard Work	Dep	artment	: Machining		
the APC doc	or.			Instruction):			Zone			
				(b) (6), (b) (7)(C)			Station	Pump Drive Sewer Cover Cell		
				Jew.	wer Covers		Leader:			
		(b) (6), (b)	Total contract	2000 D. 244			Shift:	(b) (6), (t		
		2021		Name: (b) (6)	, (b) (7)(C)			Name: (b) (6), (b) (7)(C)		
TWITP/H	Date (0)(6)(0) HERCA 2021		Oper	rator: Team: Machi	Team: Machining		wer:	(b) (6), (b) (7)(C)		
	Missed Op	eration			Quality Gate					
		ot fallowed,	X		QA Network			der / Unit Leader		
Error Characteristic	Wrong part selected Other (describe):		Source of the Problem	ENG	Required	Process				
Jilla Delenatio	Outer (desc	:noe):		SORICE OF THE CLOSING	Non Conformity Statement	Team for	Yearn Me	Improvement Leader / Engineer (IE: WO/QC)		
	A	Manager of the Control of the Contro			Other (Describe).	Analysis	300	Describe):Supervisor		

HO	INTERVIEW: TWTTP (The Way to Teach F w DO YOU DO THIS WORK? you understand the activities that you are performing? (Explain what, how and why)	V		rakininen 1	IST INTERVEW / IWITD (Explanations / Operator on swort
Ā	Yes			"x" ,	
В	Not completely	No. Company of the Co	A	1	
С	No	Lack of Knowledge	В		
Hoy	W DO YOU KNOW YOU ARE DOING THIS WORK CORRECTLY? v can you verify that you're working correctly?		C	2	(2) 0
A	I follow the work instruction & posted standard (SOP, OPL, etc. Have operator explain what, how and why)	n	<u> </u>	*** [ \( \)	Sop, gauger
В	I automatically know what to do based on my own experience			t	
С	Other (describe)	Lack of Knowledge	B		
HOW	W DO YOU KNOW THAT THE OUTCOME IS FREE OF DEFECTS? do you know that you performed your operation without any defects?	-	С	3	DAMIN & CHARC
A	I received feedback from the nearest quality check or source			'x'	garger 3 checks
В	I automatically know by experience		<u> </u>	X	•
С	Other (describe)	Lack of Knowledge	В		
WHA Wha	RT DO YOU DO IF YOU HAVE A PROBLEM? I do you do in case of problems?		c	4	11 000
Α	I immediately alert my team leader / Direct Responsible / Supervisor / Unit Leader or follow the reaction plan for the station		A	χ.	Coll spervisor
8	I only talk to my team leader or supervisor when they ask me questions			0	
С	Other (describe)	Lack of Knowledge	B		

# If any of the above questions are answered 'B' or 'C' complete below LACK OF KNOWLEDGE section. Otherwise move to HERCA (backside).

L	DETAILED ANALYSIS to I	DETAILED ANALYSIS to be completed by the interviewer									POTENTIAL COUNTERMEASURES							
	LACK OF KNOWLEDGE / 8 (Note: K= Knowledge; S = 1	Notes / Comments	Tracking and set or	£.	5 5	1 8	ĝ	100 m	OTHER									
1	Is the problem a result of insufficient/incomplete training?	YES	NO	ĸ	s		7-8							Responsible				
2	is the problem caused by a lack of understanding of the method and/or tools to be used?	YES	NO	ĸ	s	-	H	1	+	+	H	-						
3	Is the operator new (<1week) OR has it been more than 3 month since the operator performed the job?	YES	NO	к	8		$\dagger \dagger$	1	+	1	$\prod$	$\dagger$						
4	is the employee unable to perform the job according to the standard and within cycle time?	YES	NO	ĸ	s		$\parallel$	1	$\dagger$	$\dagger$		-						
5	Does the operator lack the natural ability to perform the task?	YES	МО	ĸ	s		$\dagger\dagger$	+	$\dagger$	t	$\prod$	1						
6	Has the operator been trained but still does not have the necessary skill to perform the task?	YES	NO	ĸ	s		$\parallel$	1	$\dagger$	+		+						

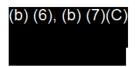
Human Error Root Cause Analysis (HERCA)					POTENTIAL COUNTERMEASURES (Note: Gray shaded = not recommended)				
10 m S. m. manus 2000 (20) 600 mm (10) 300	CESS WEAKNESS			â ş	Co Department	9 1 4 1		Notes	Responsib
1.2 is this operation	onomic issues when performing this op on excessively complex, difficult or is it is	Mind anamtice?	Y 6				DiDu	F Remove	
1.3 Does the proc	ess allow mistakes/errors or for potentions done out of order or sequence caus	d injury?	YA				Hoist	Belole	
1.5 Does the proce	ess have operators working too close to	each other resulting in an error or injur	n (Q)		H		Send:	y Pallet	
1.6 Are the operati	or roles unclear or confusing?		ΥĞ				into	Madrine	•
2 - PROC	CEDURE WEAKNE	:SS		(Giran		11		Notes	Responsible
2.1 Does the opera	ation need to be described in a more cle	ar, simple and easy-lo-understand way	, ∧ <b>(</b> ∳						
2.3 is there anythis 2.3 is the visual m	ng missing in the operation sheet or in t anagement not very clear, lacking or ev	ne SOP's?	YO	11	11			·	THE STREET STREET, STR
Care Constant Constant Constant	S AND EQUIPME			, 11	3		1		
3.1 is there a lack of	of basic conditions/maintenance for tool	s/equipment?	Y <b>//%</b>	2 3 3	Training	13		Notes	Responsible
3.2 Are the tools no 3.3 Are there any w	ot adequate (design weakness) to perfo vorkstation tools missing as described in	m the operation?	Y			111			
3.4 Of the available	a tools, did the operator choose the wro- a poor location in order to perform the t	on tool for the tack?	Y (9)						
Control of the Contro		IG ENVIRONMEN	Y 19	<b>.</b>					
4.1 Are there proble	ems caused by an excessive work load	IG ENVIRONMEN		Kats Mary	100	130		Notes	Responsible
a ls the workstatio	on disorganized and can it easily lead to out, not compliant containers)	errors? (e.g. visual management not pr	operly Y (9			H			
4.3 is the line side m	naterial disorganized?	ober framer ausstallen eine eine Comprehensen Spreiter (1922 bekannte der meinstellige gegebet, der eine despen Der framer wert (1914 zu geben framer) werde der meine des framer (1914 zu geben der meine der der der der der		+	H	44			
COLOR DE CONTRACTOR DE CONTRAC	Control of the Contro	lighting, inadequate temperature, exces	sive Y P				The state of the s	ALCO AL Alexandria de Solo agrandria.	
		the workstation, that can generate error	7 Y 🕞						**************************************
the state of the s	UDE & BEHAVIOR			or or or	1	14 8 8		Notes	Responsible
o.2 is mere a genera	r shown a low enjoyment of the operation	A CONTRACTOR OF THE PROPERTY O	Y (N)						
5.3 Did the operator	knowingly violate company rules, regul knowingly go out of sequence or order	ations and/or policies?	Y					Mid-enterconstance of the policy of the control of	
			YK						
At the time of the	ALLO CLUSTON AND THE PARTY OF T	FORGETFULNES of physical distraction of the operators?	S	E. C.	1 3	3		Notes	Responsible
(140128, ngirt, etc.)	mentally distracted?	of physical distraction of the operators?	YO	Programme and a second					
3 is the work conter	nt excessively repetitive?		Y AN Y B	100					
.4 Was the operator 5 Was the length of	I the cycle time excessively long?		Y 7						
	overconfident of their abilities such that	t they were not attentive?	Y B						
7 - TEAM			603	Reference of the second	aguagna agua	la s		Notes	Responsible
.1 is the operator no .2 is the operator no	t adequately involved in the work? t integrated into the team?	American and Ameri	Y						
B-LEADE	RSHIP	Address San San		1 8	7 .				
RESERVED TO STREET THE PARTY OF THE PERSON O	communication or poor communication	egarding the error?	2/3	3 3	1	3 10		Notes	Responsible
2 Is there a lack of le	eadership commitment in enforcement	and follow through of countermeasures?	× 6	tit					
3 Did the leadership	set an inconsistent example regarding		YA	H				A Principal of	
Overali Notes and Comments	Operator was in a hurry to che still connected.	ck other machine and sent pall	et into mach	ine with	n hois	t Legens	Counte	rmeasure is not the most	recommended
cessing Team Sign-Of	1			-		Lagen	Counts	rmeasure type is recomn	nended
U Leader / Unit Leader	Team Leader	Process improvement Leader/ Engineer	Teem Memb	er .		Other (Describ	•)  0	ther ((1) eq. (13.5) (b) (6), (b) (7)(C) (b)	(b) (7)(C)
utsy	Signature of the second	Sprature	(b) (6),	(b) (7)	(C)	igrature		(b) (6), (b) (7,	
				(b) (6), (b) (7				(b) (o), (b) (1,	(O)

SUBREGION 30 310 West Wisconsin Avenue, Suite 450W Milwaukee, WI 53203-2246

Agency Website: www.nlrb.gov Telephone: (414)297-3861

Fax: (414)297-3880

March 1, 2022



Re: CNH Industrial Case 18-CA-287845

Dear (b) (6), (b) (7)(C)

We have carefully investigated and considered your charge that CNH Industrial has violated the National Labor Relations Act.

**Conditional Decision to Dismiss:** For the reasons discussed below, I have decided to conditionally dismiss your charge alleging that the Employer violated the Act by denying your right to union representation during what you reasonably believed was an investigatory interview.

Based on our investigation there appears to be merit to your claim that the Employer denied your right to union representation on about (b) (6), (b) (7)(C) and about (b) (6), (b) (7)(C) 2021. An employee has the protected right to union representation at an investigatory interview which the employee reasonably believes may result in disciplinary action. NLRB v. J. Weingarten, 420 U.S. 251(1975); Montgomery Ward & Co., 273 NLRB 1226, 1227 (1984). The employee's "reasonable grounds" for fearing disciplinary action is measured by objective standards under all circumstances of the case. Because the Board looks at these cases from an objective employee's perspective, whether the Employer was engaged in simple fact finding or believed that an employee's responses would not lead to discipline is irrelevant. See, e.g., Consolidated Edison Co., 323 NLRB 910, 916 (1997). Here, the evidence showed that you likely had a reasonable belief that your supervisor's questions to you on (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) could lead to disciplinary action. Though you were a probationary employee at the time of these interviews, you are entitled to the same Weingarten rights as any other bargaining unit member. However, I have decided to conditionally dismiss this charge six months from today because there was no evidence that your responses to your supervisor on those dates influenced the Employer's decision on any disciplinary action taken against you, the violations appear isolated in nature, and there have not been any similar meritorious allegations against this Employer with the Region in recent history.

If a meritorious charge involving other unfair labor practices is filed against the Employer during that six-month period, I will reconsider whether further proceedings on this charge are warranted.

<sup>&</sup>lt;sup>1</sup> While I find there were likely violations on (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C), the evidence did not establish any *Weingarten* violation on the other dates alleged in the charge-(b) (6), (b) (7)(C) 2021; (b) (6), (b) (7)(C), 2021; (c) (6), (b) (7)(C), 2021; (c) (6), (c) (7)(C), 
**Charging Party's Right to Appeal:** The Charging Party may appeal my decision to the General Counsel of the National Labor Relations Board, through the Office of Appeals.

Means of Filing: You must file your appeal electronically or provide a written statement explaining why electronic submission is not possible or feasible. Written instructions for the NLRB's E-Filing system and the Terms and Conditions of the NLRB's E-Filing policy are available at <a href="www.nlrb.gov">www.nlrb.gov</a>. See <a href="www.nlrb.gov">User Guide</a>. A video demonstration which provides <a href="step-by-step instructions">step-by-step instructions</a> and frequently asked questions are also available at <a href="www.nlrb.gov">www.nlrb.gov</a>. If you require additional assistance with E-Filing, please contact <a href="mailto:e-Filing@nlrb.gov">e-Filing@nlrb.gov</a>.

You are encouraged to also submit a complete statement of the facts and reasons why you believe my decision was incorrect. If you cannot file electronically, please send the appeal and your written explanation of why you cannot file electronically to the **General Counsel** at the **National Labor Relations Board, Attn: Office of Appeals, 1015 Half Street SE, Washington, DC 20570-0001**. Unless filed electronically, a copy of the appeal should also be sent to me.

The appeal MAY NOT be filed by fax or email. The Office of Appeals will not process faxed or emailed appeals.

Appeal Due Date: The appeal is due on March 15, 2022. If the appeal is filed electronically, the transmission of the entire document through the Agency's website must be completed **no later than 11:59 p.m. Eastern Time** on the due date. If filing by mail or by delivery service an appeal will be found to be timely filed if it is postmarked or given to a delivery service no later than March 14, 2022. If an appeal is postmarked or given to a delivery service on the due date, it will be rejected as untimely. If hand delivered, an appeal must be received by the General Counsel in Washington D.C. by 5:00 p.m. Eastern Time on the appeal due date. If an appeal is not submitted in accordance with this paragraph, it will be rejected.

**Extension of Time to File Appeal:** The General Counsel may allow additional time to file the appeal if the Charging Party provides a good reason for doing so and the request for an extension of time is **received on or before March 15, 2022.** The request may be filed electronically through the *E-File Documents* link on our website <a href="www.nlrb.gov">www.nlrb.gov</a>, by fax to (202)273-4283, by mail, or by delivery service. The General Counsel will not consider any request for an extension of time to file an appeal received after March 15, 2022, **even if it is postmarked or given to the delivery service before the due date**. Unless filed electronically, a copy of the extension of time should also be sent to me.

**Confidentiality:** We will not honor requests to limit our use of appeal statements or evidence. Upon a request under the Freedom of Information Act (FOIA) by a party during the processing of an appeal, the Agency's FOIA Branch discloses appeal statements, redacted for personal privacy, confidential source protection, or other applicable FOIA exemptions. In the event the appeal is sustained, any statement or material submitted may be introduced as evidence

at a hearing before an administrative law judge. However, certain evidence produced at a hearing may be protected from public disclosure by demonstrated claims of confidentiality.

Very truly yours,

JENNIFER A. HADSALL Regional Director

By: /s/ Benjamin Mandelman

BENJAMIN MANDELMAN Officer in Charge

#### Enclosure

cc: Susan Prey-Fobes, HR Manager CNH Industrial 2701 Oakes Rd. Sturtevant, WI 53177

> Larry G. Hall, Attorney Ford & Harrison LLP 180 N. Stetson Avenue, Suite 1660 Chicago, IL 60601

# UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD

### APPEAL FORM

Date:

To: General Counsel

Attn: Office of Appeals National Labor Relations Board 1015 Half Street SE Washington, DC 20570-0001	
Please be advised that an appeal is here National Labor Relations Board from the action issue a complaint on the charge in	•
Case Name(s).	
Case No(s). (If more than one case number, inclutaken.)	ude all case numbers in which appeal is
	(Signature)

#### **E-FILING TO APPEALS**

- Extension of Time: This document is used when the Charging Party is asking for more time to efile an Appeal.
  - If an Extension of Time is e-filed, and there are additional documents to be e-filed simultaneously with it, please e-file those documents under the selection **Correspondence**.
  - After an Extension of Time has already been e-filed, any **additional** materials to add to the Extension of Time should be e-filed under **Correspondence**.
- File an Appeal: If the Charging Party does not agree with the Region's decision on the case, an Appeal can be e-filed.
  - Only one (1) Appeal can be e-filed to each determination in the Region's decision letter that is received.
  - After an Appeal has been e-filed, any additional materials to add to the Appeal should be e-filed under Correspondence.
- 3. **Notice of Appearance**: Either party can e-file a Notice of Appearance if there is a new counsel representing one side or a different counsel.
  - This document is only e-filed with the Office of Appeals after a decision has been made by the Region.
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- 4. **Correspondence**: Parties will **select** Correspondence when adding documents or supplementing the Appeal or Extension of Time.
  - Correspondence is used to e-file documents after an Extension of Time, Appeal or Notice of Appearance has been e-filed.
- 5. Position Statement: The Charging Party or Charged Party may e-file a Position Statement.
  - The Charging Party will e-file this document as a supplement of the Appeal.
  - The Charged Party will specifically file one to support the Region's decision.
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- 6. **Withdrawal Request**: If the Charging Party decides to no longer pursue their appeal, he/she can e-file a Withdrawal Request to the Office of Appeals.
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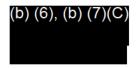


7. The selections of **Evidence** or **Other** should no longer be used.

SUBREGION 30 310 West Wisconsin Avenue, Suite 450W Milwaukee, WI 53203-2246 Agency Website: www.nlrb.gov Telephone: (414)297-3861

Fax: (414)297-3880

September 7, 2022



Re: CNH Industrial Case 18-CA-287845

Dear (b) (6), (b) (7)(C)

We have carefully investigated and considered your charge that CNH Industrial has violated the National Labor Relations Act.

**Decision to Dismiss**: On March 1, 2022, I informed you I would dismiss this charge unless I decided that the Charged Party had committed additional violations of the Act that would make dismissal of your charge inappropriate. Since that has not happened, I am dismissing your charge.

Charging Party's Right to Appeal: The Charging Party may appeal my decision to the General Counsel of the National Labor Relations Board, through the Office of Appeals.

Means of Filing: You must file your appeal electronically or provide a written statement explaining why electronic submission is not possible or feasible. Written instructions for the NLRB's E-Filing system and the Terms and Conditions of the NLRB's E-Filing policy are available at <a href="www.nlrb.gov">www.nlrb.gov</a>. See <a href="www.nlrb.gov">User Guide</a>. A video demonstration which provides <a href="step-by-step instructions">step-by-step instructions</a> and frequently asked questions are also available at <a href="www.nlrb.gov">www.nlrb.gov</a>. If you require additional assistance with E-Filing, please contact <a href="mailto:e-Filing@nlrb.gov">e-Filing@nlrb.gov</a>.

You are encouraged to also submit a complete statement of the facts and reasons why you believe my decision was incorrect. If you cannot file electronically, please send the appeal and your written explanation of why you cannot file electronically to the **General Counsel** at the **National Labor Relations Board, Attn: Office of Appeals, 1015 Half Street SE, Washington, DC 20570-0001**. Unless filed electronically, a copy of the appeal should also be sent to me. The main telephone number for the Office of Appeals is (202)273-3760.

The appeal MAY NOT be filed by fax or email. The Office of Appeals will not process faxed or emailed appeals.

**Appeal Due Date:** The appeal is due on **September 21, 2022**. If the appeal is filed electronically, the transmission of the entire document through the Agency's website must be completed **no later than 11:59 p.m. Eastern Time** on the due date. If filing by mail or by delivery service an appeal will be found to be timely filed if it is postmarked or given to a

delivery service no later than September 20, 2022. If an appeal is postmarked or given to a delivery service on the due date, it will be rejected as untimely. If hand delivered, an appeal must be received by the General Counsel in Washington D.C. by 5:00 p.m. Eastern Time on the appeal due date. If an appeal is not submitted in accordance with this paragraph, it will be rejected.

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Very truly yours,

JENNIFER A. HADSALL Regional Director

By: /s/ Benjamin Mandelman

BENJAMIN MANDELMAN Officer in Charge

#### Enclosure

cc: Susan Prey-Fobes, HR Manager CNH Industrial 2701 Oakes Road Sturtevant, WI 53177

> Larry G. Hall, Attorney Ford & Harrison LLP 180 N. Stetson Avenue, Suite 1660 Chicago, IL 60601

# UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD

### APPEAL FORM

Date:

To: General Counsel

Attn: Office of Appeals National Labor Relations Board 1015 Half Street SE Washington, DC 20570-0001	
Please be advised that an appeal is hereby National Labor Relations Board from the action of issue a complaint on the charge in	
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	(Signature)

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- 8. If you need to contact the Office of Appeals, please call (202)273-3760.